

The NATIONAL UNDERWRITER

HEALTH and ACCIDENT CONFERENCE NUMBER

An Interesting Historical Document *for Insurance Men*

● Fifty years ago, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Limited, wrote the first liability policy ever written in the United States. The exact date is a bit later in the year. Meanwhile we are having reproduced, as an interesting historical document for insurance men, that first liability policy which naturally differs considerably from those contracts you sell today.

It is our wish that every insurance agent and broker, every employee connected with any casualty insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. We wish to be able to estimate as accurately as possible just how many copies to print.

Will you please cooperate with us?

Please write, on your business stationery, to the following address or if you prefer, telephone to the nearest Branch Office and they will record your request.

The Employers' Liability Assurance Corp., Ltd.

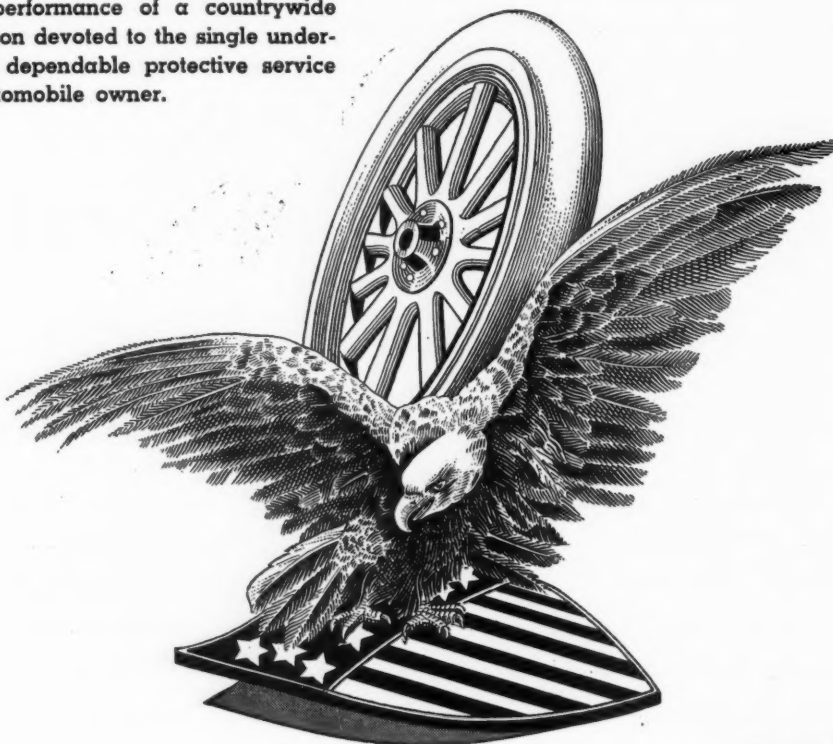
United States Branch, 110 Milk Street, Boston



THURSDAY, JUNE 11, 1936

AMERICAN AUTO AGENTS—

At this season of the year find particular satisfaction in the knowledge that they have given their automobile policyholders "Insurance That Travels with You" in all parts of the United States and Canada. They know the unfailing specialized performance of a countrywide organization devoted to the single undertaking of dependable protective service to the automobile owner.



Admitted Assets
more than
\$14,000,000

Surplus to Policyholders
more than
\$5,000,000

NATIONWIDE BRANCH OFFICE FACILITIES

BOSTON
40 Broad St.
Wilfred J. Paquet
Manager

CHICAGO
A-2025 Insurance Exchange South
E. D. Loring
Resident Vice-President

CINCINNATI
Carew Tower
Cameron H. Sanders, Manager
R. L. Taylor, Associate Manager

CLEVELAND
Hanna Building
George W. Talkes
Resident Vice-President

DETROIT
National Bank Bldg.
Robert Z. Alexander
Resident Vice-President

INDIANAPOLIS
210 Electric Bldg.
M. W. Doyle
Manager

KANSAS CITY
1050 Dierks Bldg.
William S. Ewald
Manager

LOS ANGELES
724 South Spring Street
Don R. Sessions
Resident Vice-President

MILWAUKEE
212 West Wisconsin Avenue
C. M. Latta
Manager

NEW ORLEANS
1227 Hibernia Bank Bldg.
J. J. Grevemberg
Manager

NEW YORK
99 John Street
R. S. Choate
Vice-President

PHILADELPHIA
Manhattan Building
James R. Hughes
Resident Vice-President

PITTSBURGH
Investment Bldg.
Jot Parker
Manager

ST. LOUIS
Pierce Building
Louis H. Antoine
Manager

SAN FRANCISCO
Suite 301 Adam Grant Bldg.
George E. Adams
Resident Vice-President

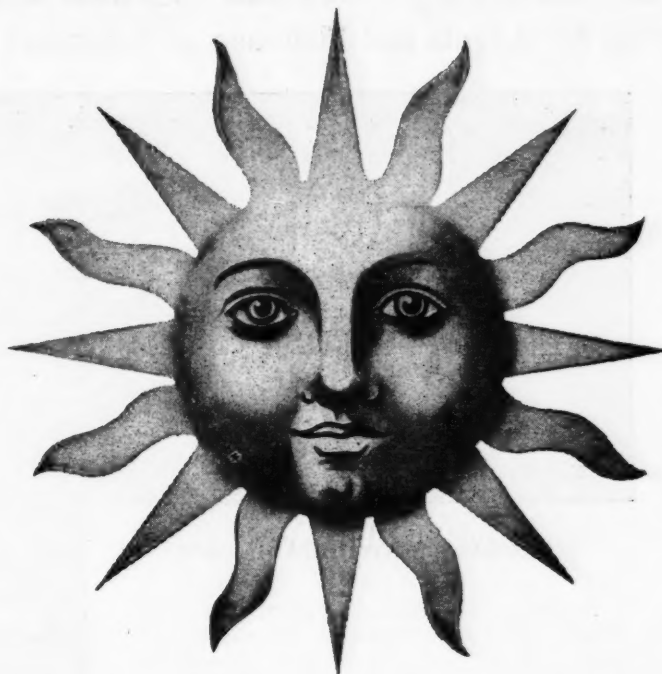
SEATTLE
518 Skinner Building
J. R. Lawson
Manager

AMERICAN AUTOMOBILE INSURANCE COMPANIES

L. A. HARRIS, *President*

ST. LOUIS, MISSOURI

"Oldest and Largest Insurers of Automobiles Exclusively"



THIS SIGN HAS STOOD FOR STRENGTH, SOLIDITY AND SQUARE DEALING SINCE 1710

SUN INSURANCE OFFICE, LTD.

OF LONDON

FOUNDED 1710

Sun Underwriters Insurance Company of New York
Patriotic Insurance Company of America
Sun Indemnity Company of New York

FIRE CASUALTY MARINE AND ALLIED LINES

HEAD OFFICE:

55 Fifth Ave., New York
O. Tregaskis, U. S. Manager

WESTERN DEPARTMENT

309 W. Jackson Blvd., Chicago
Chas. W. Ohlsen, Manager

PACIFIC COAST DEPARTMENT

San Francisco, California
Swett & Crawford, General Agents

MARINE DEPARTMENT

111 John St., New York
Wm. H. McGee & Co., Inc., General Agents

SUN INDEMNITY COMPANY

55 Fifth Ave., New York
F. I. P. Callos, President

The Fire, Casualty and Surety Bulletins

A Dependable Bulletin Service for Agents and Fieldmen on Insurance Underwriting and Selling

The Bulletins are divided into twenty-two major divisions, each with a leather index guide. These divisions are shown in bold face type below. A twelve page index with liberal cross references makes it easy to find what you want.

A brief indication of the many subjects treated follows, but it is impossible even to list ALL the subjects. Glance through these to get some idea of the wealth of material in the service.

FIRE

Miscellaneous Fire What is "actual cash" value—"sound" value? Accounts receivable insurance—budgeting fire insurance premiums—explosion, riot and civil commotion insurance—vandalism insurance—multiple location policies—reporting forms—leasehold interest—principle of indemnity and non-valued policies—profits and commissions forms—rent and rental value—supplemental contract, etc., etc.

Aircraft Kinds of cover available—writing small owners and operators, etc.

Auto Convertible collision—comprehensive—garage keepers' liability— theft, robbery and pilferage, etc., etc.

Fire Coinsurance—blanket errors and omissions—sole ownership—what makes a fire policy void—property under contract of sale—improvements and betterments, lessee and lessor, etc., etc.

Fire Forms What is "contents"?—special building and/or contents form—apartment building form—builders' risk form—churches—cotton and corn—blanket errors and omissions—lumber yards—rental value, public school buildings, etc., etc.

U & O What is U & O?—difference between profits and U & O—period for which loss is payable—80% contribution form—5 day week—formula for U & O values—contingent U & O, etc., etc.

Inland Marine Definition of inland marine—bailees' customers—bridge—contractors' equipment—camera and projecting machine—department store—fine arts—furniture—conditional sales and merchandise installment—physicians', surgeons' and dentists' instruments—musical instruments—personal effects—jewelry—radium, etc.

Windstorm Windstorm policy may be needed to cover fire loss—new way to sell windstorm—windstorm letter—mortgage interest, etc.

CASUALTY

Aircraft Airport P. L. and P. D.—private and non-scheduled commercial aviation, etc.

Auto Sale of P. L. to person who carries fire insurance—borrowed auto, how to cover—when is a truck a "hired car"?—non-ownership for trucks—P. L. for filling stations, service stations, open air parking lots—New rules have widened field for auto non-ownership—Non-ownership vs. separate cover, etc.

Bonds Bankers' blanket bond—night depository safes and chutes—liability of bank directors for losses due to inadequate bonds—commercial blanket vs. blanket position bonds—how to contract and completion bonds differ?—corporate vs. personal surety, etc.

Burglary Office burglary and robbery—mercantile open stock burglary, residence burglary—safe deposit box, etc., etc.

Forgery What is forgery?—importance of insurance against check forgery—answering objections, etc., etc.

Plate Glass Possibilities—plate glass policy—auto plate glass—lettering and ornamentation—private dwellings—three year policies, etc.

Power Plant Furnace explosion insurance—U & O—consequential damage—outage insurance—why low pressure boilers should be insured—insurance steam piping, etc.

Public Liability Need of public liability—importance of special endorsements—O. L. & T., apartment buildings—personal liability of officers of corporations—why contractors need public liability—injuries caused by hoists—why landlords need P. L.—O. L. & T., for trustees—O. L. & T., for restaurants, hotels, public schools, etc., etc.

Robbery Meaning of robbery—sale of robbery insurance—bank robbery, time locks—messenger and interior robbery insurance—paymaster robbery, payroll checks vs. insurance, etc., etc.

Workmen's Compensation Three year term, private residences, occasional servants—occupational diseases—schedule and experience rating—voluntary compensation, etc.

Miscellaneous Casualty Church burglary policy, hazards insured against—declarations and warranties—what makes policy void—casualty lines which may be written on three-year basis, etc., etc.

Collections Agent not banker—a personal matter—getting unpaid accounts settled—letters—the telephone, etc.

Selling Methods Need of real salesmanship—importance of knowledge—buying on price—method of selling which protects against large single loss—insurance test selling plan—insurance expense not like other expense—preventing cancellations and reductions—selling new business—surveys and the follow through, etc.

Agency Management Agency budget—expense ratio—distribution of premiums by classes—accounting method—monthly statements, etc., etc.

THE F. C. & S. BULLETINS
(The National Underwriter Company's Publication)

420 E. Fourth Street

What Every Agent and Broker Needs

A single, comprehensive, accurate, concise, unbiased source of information. Constantly up-to-date, it equips the agent with the facts he needs to sell his coverages properly and intelligently. These Bulletins show how to use manuals effectively, how to analyze your insured's needs, how to cover him properly, how to give him the most protection for his money, how to explain little known lines, how to show prospects the necessity for important forms of insurance not generally carried.

The Bulletins have only one purpose—to enable the agent to **WRITE MORE BUSINESS—HOLD HIS PRESENT BUSINESS—AND DISARM COMPETITION.**

When You Subscribe to the Bulletins You Get

1. All past issues, over 1,000 pages in two loose-leaf binders with 22 leather index tabs for quick reference.
2. A year's service of 24 or more pages every month. New material and revisions of past issues.
3. Free consultation service. You may write or wire the editor any time for information on any unusual insurance question.

Who Can Use The Bulletins?

Novices and experienced insurance men, company executives, underwriters, branch managers, general agents, special agents, local agents, brokers, solicitors, insurance commissioners, buyers of insurance—all are represented among our thousands of satisfied subscribers.

Some of the largest companies furnish these Bulletins to their fieldmen.

**USE THIS FREE
EXAMINATION
FORM NOW**



10 Day Approval Order

THE NATIONAL UNDERWRITER CO.,
420 East Fourth St., Cincinnati, Ohio.

Send me the F. C. & S. Bulletins (all past issues, indexes and two binders) on ten days' approval. At the end of that time I will either return them, or send check for \$6.00 and four subsequent checks of \$4.75 each in 1, 3, 6 and 9 months for bulletins received and one year's service.

You may continue my subscription beyond one year (at \$4.25 for each three months' service) until I give you written notice to the contrary.

NAME

ADDRESS

CITY..... STATE.....

N.U.



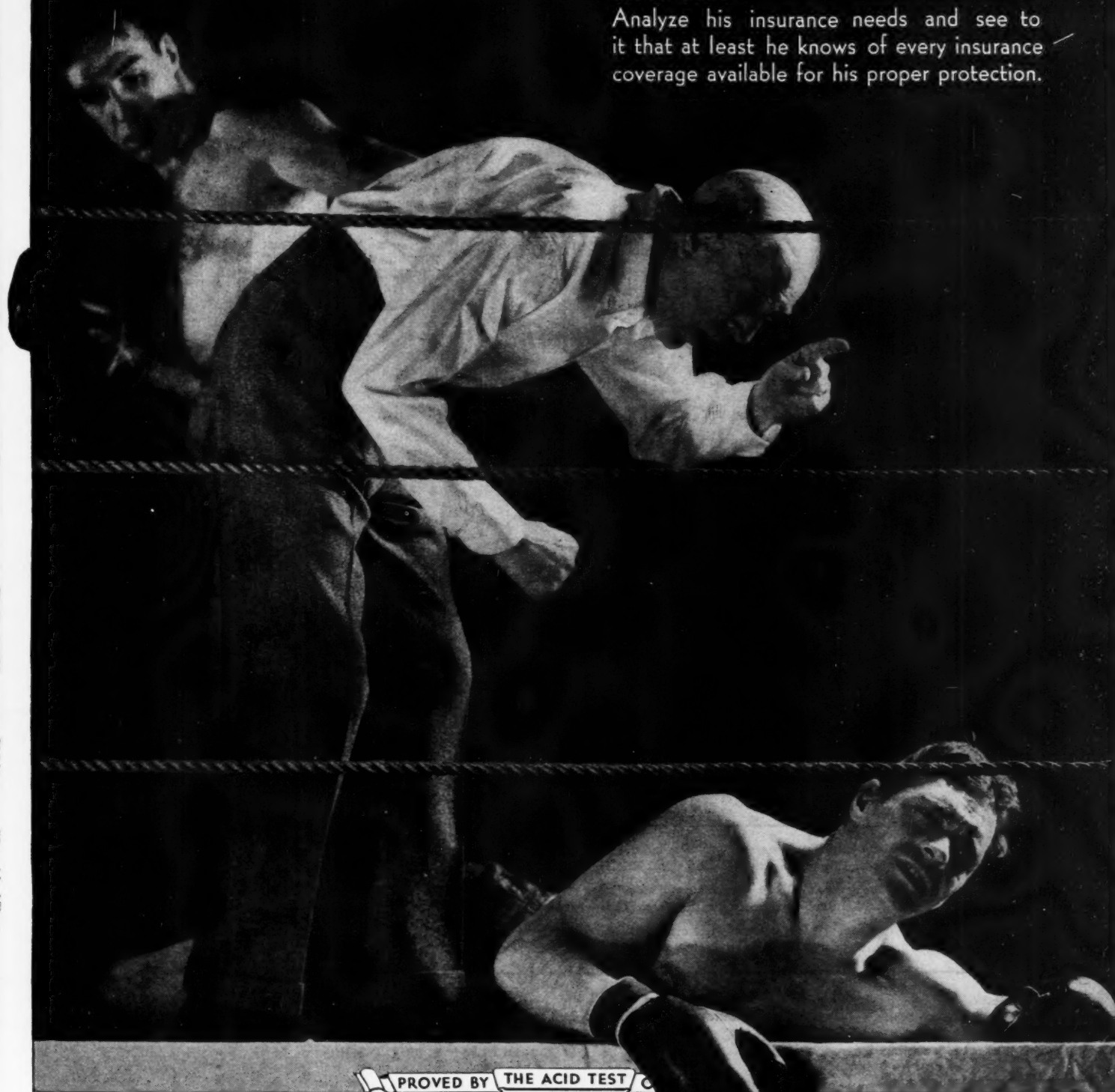
They Like It

"Very useful suggestions in it which have assisted me in getting actual orders."—Clyde A. Dickerson, Agent, Buffalo, N. Y.
"Do not want to miss any issue. They're too valuable."—Douglas Mead, General Agent, Rutherford, N. J.
"Find them very valuable."—S. H. Greene, Special Agent, Rutland, Vt.
"Do not want to sell insurance without this service."—E. K. Niner, Agent, San Pedro, Calif.
"Discovered we could not afford to be without them."—W. Eldridge Smith & Co., Agts., Tampa, Fla.
"Have relieved me of some very embarrassing situations."—A. L. Pearson, Resident Manager, Detroit, Mich.
"Your service in this instance alone has been worth more than the annual cost of your bulletins."—J. E. McGovern Company, Spokane, Wash.

DOWN FOR THE COUNT!

Don't let an uninsured loss knock your client out!

Analyze his insurance needs and see to it that at least he knows of every insurance coverage available for his proper protection.



PROVED BY THE ACID TEST

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

PUBLIC ENEMY

No 7 Burglary



COMMON ENEMIES TO GUARD AGAINST

- | | |
|-------------|------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR | 10 MARINE |
| ACCIDENT | DISASTER |
| 3 WINDSTORM | 11 RAILROAD |
| & TORNADO | WRECK |
| 4 PERSONAL | 12 FALLING |
| ACCIDENT | AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE | 14 RIOT or CIVIL |
| CLAIMS | COMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |

Fear of Burglars is a universal nightmare. No man-made locks or other precautions can guard with certainty against the "THIEF IN THE NIGHT" or prevent his depredations.

Wherever man's thrift has accumulated articles of value the IMPS OF THIEVERY hover nearby and sooner or later the ruthless hand of the robber will strike.

Therefore, wisdom counsels the only positive protection—INSURANCE, which alone can remove the constant dread of loss that so often impairs the full enjoyment of our possessions.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

SOUTH-WESTERN DEPT

912 COMMERCE STREET, DALLAS, TEXAS

The National Underwriter

WEEKLY NEWSPAPER OF INSURANCE

Fortieth Year—No. 24

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 11, 1936

\$4.00 Per Year, 20 Cents a Copy

Palmer Is Slated for Presidency

Illinois Official Picked as Probable Head of Insurance Commissioners' Body

ANNUAL MEETING IS ON

Large Attendance at the Gathering at St. Paul—Entertainment Program Is Most Interesting

ST. PAUL, June 10.—The executive committee of the National Association of Insurance Commissioners side-tracked New York City for the December meeting and voted to go to Hot Springs, Ark., at the Arlington Hotel, the week of Dec. 7.

By C. M. CARTWRIGHT

ST. PAUL, June 10.—All signs point to the election of Insurance Director Ernest Palmer of Illinois as the next president of the National Association of Insurance Commissioners. The election will take place at the executive session Friday morning. Seemingly there is no opposition.

Favorable to Palmer

The coalition group that put W. A. Sullivan of Washington, the present incumbent, in the high place at the Seattle convention is favorable to Mr. Palmer, who is now first vice-president. The point is made that because of his rank and tenure of office he is entitled to the place. Mr. Palmer is not making any personal effort to get the high office, but will accept if he is elected.

George A. Bowles of Virginia is second vice-president and undoubtedly will be moved up. The new constitution and bylaws clip off the office of second vice-president.

There is an unusually large attendance both of state officials and insurance men. A number of men not usually seen at commissioners' gatherings are on hand.

Will Review Standard Policy

The executive committee recommended that the standard convention fire policy which is the New York form, be revised to see if some changes are not desirable. It has been used for 20 years.

The workmen's compensation committee was presided over by McClain of Indiana. DeCelles of Massachusetts explained what had been done in his state with the retrospective rating plan. It is experimental and needs further study, he said. He desired the question be referred to the special subcommittee of which Pink of New York is chairman for additional explanation but no one seconded his motion.

A. V. Gruhn, American Mutual Alliance, said his organization did not desire to be antagonistic to this plan but saw

DeCelles Presents Plan For Uniform Tax Basis

Commissioner DeCelles of Massachusetts, in an address before the annual meeting of the National Association of Insurance Commissioners in St. Paul, proposed a uniform system of insurance taxation on the part of the states.

He recommended that all state, municipal and county taxes be collected by the state and distributed by the state to the other subdivisions.

Fixed Standard Basis

There should be a fixed standard basis of taxation and not a multiplying group of varying charges. The reciprocal taxation process should be retained but only to prevent discrimination against foreign companies. Nationally some basis should be decided upon and a single tax should be confined to this particular basis.

The basis of net direct premium volume should be used.

A standard method of allocation of premium on floater policies should be worked out.

Agencies should be taxed on net profits and on the same basis as any other business in the state.

The rate of taxation should be fixed so that the insurance business will bear its proportionate share of the general expense of government. No greater percentage charge should be made against this business than is made against any other business.

Making the Cost Less

Any relief that may be given in the matter of taxation should be handed down to the policyholder in the form of proportionately reduced rates, he said. If relief is to be given it should not be with the idea of making profit greater, but with the idea of making cost less.

Insurance taxes, he observed, are imposed to meet special expenses that benefit the business such as fire marshals, fire departments, etc., and to provide for the general revenue of the government. The problem is to simplify the taxing procedure so that the burden will be as light as possible and the payment as simple as possible.

He expressed the belief that the state should take back to themselves the right of taxing within borders of their own state and if it becomes necessary, because of financial reasons, to pass certain taxes back to the municipalities and counties, they can do so by having the state collect all taxes and be the licensing power, making such proportionate contributions to the subdivision as it deems necessary. If the actual tax cannot be introduced, the tremendous cost of collecting the tax can be reduced.

He pointed out that insurance com-

panies in some of the states are forced to prepare hundreds of overlapping tax returns and often the cost of preparing the return is greater than the amount of the tax.

No action was taken and the com-

panies in some of the states are forced to prepare hundreds of overlapping tax returns and often the cost of preparing the return is greater than the amount of the tax.

Insurance companies are taxed not merely to cover the expenses of supervision but also because they represent interests that are best able to meet the general expense of government. The state, according to Mr. DeCelles, has no right to tax insurance without due regard to the proportion of the tax that it levies on all other business and on all other corporations. There are three general methods of imposing the tax, he observed. First, upon the agent or broker as a sort of occupational tax, then upon the agency and third upon the company. The taxes upon the agent and agency, he contended, should be confined mainly to a standard fee for the right to do business. The amount should be nominal and the mere recognition that the state is the supervising official. A state should not fix high fees for the purpose of raising revenue or to "satisfy a group of selfish persons who wish to reserve the business to a limited group." If a state decides to tax the volume of business that an agency transacts, then the standard method of income tax upon net profit should be used.

Many Incorrect Returns

The bases of taxation are so varied and complicated that hundreds of companies file incorrect returns not necessarily through bad faith but on account of the fact that no human agency could ever interpret accurately some of the laws that legislatures have imposed upon the companies.

The first basis of taxation is a fixed fee or charge—license fee, admission fee and filing fee. This should be merely a control tax. It should be nominal.

The second basis is the percentage charge upon net profit. The state could not adopt this basis for a tax upon foreign corporations. It could be used in taxing the production end of the business in the individual state.

The third basis is the percentage charge based upon the value of property held by the companies.

The fourth method is that of a percentage charge on premium volume. If the other bases of taxation could be abandoned the premium tax would be an ideal basis for a single tax upon the business. He said if the National Association of Insurance Commissioners could establish a uniform basis for taxation, they could solve many of the tax difficulties.

He suggested that in computing net taxable returns, direct premiums minus return premiums, minus cancellations be used. He would not exclude from taxation premiums paid to reinsurers.

As to floater policies with no definite situs, he expressed the belief that the commissioners might be able to fix a sound, reasonable and proper basis of allocation.

Annual Parley of W. I. B. in East

Much Interest at Bureau Meeting in Report of President Clark

SESSIONS AT BRIARCLIFF

Announcement Made That Directors Approved Use of U. & O. Agreed Amount Clause in West

By GEORGE A. WATSON

BRIARCLIFF, N. Y., June 10.—The recommendation of the subscribers actuarial committee that the use of an agreed amount clause in connection with the use and occupancy contribution form be promulgated in the west has been approved by the directors of the Western Insurance Bureau, President H. A. Clark advised members at the annual meeting of the W. I. B. here. Mr. Clark, who is vice-president and western manager of the Firemen's, gave the report of the directors.

All former officers were reelected for another year at Wednesday's session as were the directors with the addition of F. J. Breen, vice-president Standard Trenton, who replaces upon the board the late O. J. Prior.

President and chairman of the board is H. A. Clark; vice-presidents A. F. James, president Northwestern National, and E. E. Soenke, secretary and general manager Security of Davenport; secretary, F. C. Schad, treasurer, H. M. Giles, president Millers National.

Following adjournment of the bureau meeting, that of the Western Sprinkled Risk Association was held, being succeeded in turn by the gathering of the Subscribers Actuarial Committee.

Interest at the Tuesday gathering centered about the reports of President Clark, Treasurer H. M. Giles and of the several standing committees. A memorial tribute to the late O. J. Prior, president of the Standard of Trenton, was adopted. Mr. Prior was a member of the bureau for years, and both personally and professionally was esteemed by his associates.

Frank J. Breen, vice-president of the Standard, was admitted to membership.

It was decided to pay tornado commissions upon the entire supplemental contract; such action having been recommended by the directors some time ago. It was agreed to amend the bureau rule governing allowances to agents for advertising, blotters and other publicity media, defining more accurately the nature and expense of such permissible concession. Authority was given the directors to select the place and time for the semi-annual meeting in October. It is anticipated this place will again be chosen.

Mr. Clark said that an agreed amount clause was recently promulgated in the east. This clause was decided upon as

(CONTINUED ON PAGE 45)

(CONTINUED ON PAGE 49)

Uniform Tax Basis Urged By Commissioner Smith

UTAH OFFICIAL GIVES VIEWS

Advocates Study to Determine Whether
System of Levy on Net Income
Could Be Applied

ST. PAUL, June 10.—E. A. Smith, Jr., Utah insurance commissioner, in making some observations on taxation at the annual meeting of the National Association of Insurance Commissioners said there is uniformity in state taxes to the extent that most states tax on premium return and not on net income. The tax varies from 1 to 3 percent. The average tax rate on premiums for all states is 2.13 percent. There are variations in some of the states to which the commissioner called attention. Twenty-one states collect a fire marshal tax. In two states the rate for domestic companies is higher than that for outside institutions.

On insurance taxation the companies pay on gross and not on net as do other corporations. Therefore the commissioner took the position that insurance companies are not taxed on the same basis as other concerns. He denominated the insurance tax as a privilege tax. He said he had seen the estimate that insurance companies pay a tax of 37 percent on their real net income. He took one year when he found that the companies paid a tax of \$64,000,000, which was 37 percent of their actual net income.

No Property in Foreign State

When a company domiciled in its home state enters another state, it has no property nor earned income on which a tax may be levied in the other state. It is but natural, therefore, that the state should tax premiums.

Commissioner Smith took the position that a tax on net income would appear to be the most reasonable one. But, he said, if an effort is made to shift the basis, those doing the shifting might find themselves in deep water when it comes to fixing just what constitutes net income. The true net income, he said, could be determined by the same methods of fixing that item for other corporations and should be handled as a simple matter of accounting. Insurance companies, he said should have no objection to a continuation of the premium tax so long as the state adopts a tax rate as to place the insurance tax on an equality with the state corporation income tax. He declared that the solution to the problem as to whether or not insurance companies are paying more than their share of taxes lies with the companies themselves. An effort should be made to determine the amount of tax that would be paid by them provided the same method were used in their case as is used in fixing the amount of corporation tax of other concerns. Definite steps, he stated, should be taken toward making the tax situation uniform in the several states.

Executive Committee of the California Association Meets

OAKLAND, CAL., June 10.—Reports of various standing committees of the California Association of Insurance Agents, including compensation, conference, finance, membership and farm, occupied the meeting of the executive committee at Oakland. Brief reports were submitted on the present condition of the veterans welfare board insurance which is now being handled through agents in communities in which the insured property is situated. Discussion was also had of the various automobile finance plans and members will be urged to cooperate with banks who are not

Is Presiding



HERBERT A. CLARK, Chicago

H. A. Clark, vice-president of the Firemen's group in charge of its western department, is presiding this week over the annual meeting of the Western Insurance Bureau at Briarcliff, N. Y. Mr. Clark occupies a double deck proposition. In addition to being president of the bureau he is chairman of its board. He is one of the most able executives in the west.

acting as agent or broker in writing automobile or any other insurance.

The annual convention is to be held in San Jose this fall. Plans for the fall regional meetings, to be held at strategic points throughout the state during August and September, were also discussed. W. P. Welsh, Pasadena, president of the association, arrived the day prior to the meeting, holding conference with a number of managers in San Francisco.

The Local Agents Association of Champaign, Illinois, have set Sept. 22 for their annual party for the field men at the Champaign County Country Club.

New Rules Governing Oil Writing on Coast Approved

PROVISION FOR AVERAGE RATE

Tariff Is Not to Be Published and Will
Be Available Only to Mem-
ber Companies

SAN FRANCISCO, June 10.—Specific rules governing the writing of insurance on oil properties in the territory over which the Pacific Board has jurisdiction have been approved. The new rules provide all oil properties located entirely within California, Oregon, Washington, Nevada, Arizona, Idaho, Montana, Utah, Arizona and Hawaii shall be rated and serviced by this board and/or by local state and/or territorial rating bureaus having jurisdiction. Average rates on such properties located in whole or in part in territory over which Pacific Board has jurisdiction shall be established, and published based on the rates as provided for above.

Average Rate Revision

Average rates on oil properties written under schedule of which not less than 90 percent of the values are located in the above named territory shall, if the schedule covers property located in whole or in part territory over which the board has rating jurisdiction, be established by this board based on the rates made by the board, and by the rating bureaus, for the individual properties within their respective jurisdictions. Average rates so established shall be available to any member on request but such rates shall not be published. If any average rate so established shall deserve further revision the executive committee, at the request only of the member or members whose policy or policies are about to expire may approve such special rates as it shall consider justified, and permitted by law. Such revised special rates shall not be published but shall be available for use by any member upon presentation of an official letter, signed by the insured, designating the member as authorized to receive and use this information.

Average rates on oil properties written under schedule of which less than 90 percent of the values are located in the above named territory shall be es-

(CONTINUED ON PAGE 40)

Examination Plan Is Biggest Issue at St. Paul Meet

ST. PAUL, June 10.—The big issue before the National Association of Insurance Commissioners relates to company examinations. A subcommittee of the examinations committee was appointed at the New York meeting in December to study the subject and report a plan to this convention. The committee consists of O'Malley, Missouri, chairman; Blackall, Connecticut; Tobin, Tennessee; Earle, Oregon; Mortensen, Wisconsin.

The proposal advocated by Chairman O'Malley and many others is to make convention examinations compulsory, so to speak, for all companies operating in three or more states every three years. This would eliminate cursory examinations by outside states and stop raids and unnecessary probes. It would give all states a chance to examine companies licensed in their domain. As the assignments would be in rotation it affords orderly procedure.

At present, most states report far more premiums written by outside companies than home institutions. Hence the officials advocating this plan declare they have an official responsibility for these outsiders that they can not throw off.

At present, a commissioner can ask for a convention examination for a company in his state or if an outside commissioner is dissatisfied with a company, he can appeal to the committee on examinations even in opposition to the home official. If the committee feels the examination is justified, the assignment is made.

It is argued that this arrangement has worked fairly satisfactorily although now and then personal investigations are made outside the authority of the association.

New York is the chief opponent of the O'Malley plan. It has a very competent staff of examiners, well paid and experienced. It does not participate in convention examinations. It does not examine outside companies unless by special request. It becomes responsible for its companies. It protests against incompetent examiners being sent in from other states. The argument is made that it is a useless expense and will only result in delay and friction. The New York people argue that it will open the way to grave abuses.

In spite of the attitude assumed by New York many commissioners from the distant points are determined to have a voice. There is undoubtedly a feeling of hostility toward New York and has been for some time. That is natural with the great state in its premier position, its many and large companies, its remarkable department. It is the old story of the country against the city, the small against the large, those with small means against the wealthy. New York has reached out and has assumed leadership and at times has been domineering.

At the meetings of the subcommittee, there was plain talk on both sides. Connecticut's Blackall joined New York in revolt and Wisconsin's Mortensen opposed the O'Malley plan. It is hoped by the time of the executive session, the wrinkles can be ironed out and a harmony program reached.

Notwithstanding the opposition to general convention examinations, it can be stated that most commissioners feel that the various commonwealths can some scheme must be worked out so that the various commonwealth can have a voice. The commissioners are held accountable and hence they contend they should be parties to examinations wherever companies are located.

THE WEEK IN INSURANCE

Annual meeting of Insurance commissioners being held at St. Paul. Page 3

Commissioner DeCelles of Massachusetts proposes a uniform method of insurance taxation in paper delivered before meeting of National Association of Insurance Commissioners. Page 3

Annual meeting of Western Insurance Bureau takes place in Briarcliff, N. Y. Much interest is taken in the report of President H. A. Clark for the board of directors. Page 3

Much interest is taken in the presidential address of Commissioner Sullivan of Washington at the annual meeting of the National Association of Insurance Commissioners. Page 5

S. C. Aldridge of St. Paul is named president of the Minnesota Association of Insurance Agents at the annual meeting. Page 6

Annual meeting of Southeastern Underwriters Association is held in Hot Springs, Va. Page 5

Mid-year meeting of Connecticut Association of Insurance Agents is held at Norwich. Page 5

Company examinations constitute main issue at commissioners' meeting. Page 4

Commissioner O'Malley of Missouri makes fiery attack on fraternalists at commissioners' meeting. Page 7

Program for Manchester, Vt., meeting of New England Associations of Insurance Agents, July 6-8, is announced. Page 23

New rules governing the writing of oil properties adopted by Pacific Board. Page 4

George R. Kendall elected president of Health & Accident Underwriters Conference at annual meeting in Chicago. Page 25

C. W. Hobbs makes his annual report on the National Council on Compensation Insurance at the meeting of the National Association of Insurance Commissioners. Page 35

State insurance legislation is reviewed at annual meeting of the Insurance Federation of New York at Buffalo. Page 36

Bank robbery rates cut 20 percent in many states by National Bureau of Casualty & Surety Underwriters. Page 35

Minnesota Insurance Federation holds annual meeting in St. Paul. Page 37

Insurance Director Palmer of Illinois announces he will enforce the statutes of that state, which prohibit a casualty-surety company from exposing itself to liability in any one risk to an amount in excess of 10 percent of its paid up capital. Page 35

Compensation committee of Illinois Brokers Association comes out with a denunciation of the retrospective plan. Page 36

Pennsylvania Insurance Days gathering at Philadelphia sets record attendance; Pennsylvania Insurance Federation officers reelected. Page 35

W. A. Sullivan for Uniformity in Law

Proposes Employment of Independent Commission to Draft Model Insurance Code

HITS THE TAX FERRETS

President of Commissioners Convention Suggests Study of Problem of How to Tax Fraternal Societies

ST. PAUL, June 10.—Those attending the annual meeting of the National Association of Insurance Commissioners here followed intently the presidential address of W. A. Sullivan of the state of Washington and were particularly interested in his recommendation that the association employ an independent expert commission to develop a model insurance code, and his condemnation of the practice of permitting private tax ferrets to make special examinations of companies under contract with the state and to his observations on the matter of taxation of fraternal organizations.

The code commission, he said, should delve into every phase of regulation and draft a setup that could be adopted by as many states as possible. Mr. Sullivan said there is every reason and need for such a program and ample precedent. He referred to the fact that commercial transactions attained interstate uniformity to a high degree through the uniform sales act and the uniform negotiable instruments laws.

Watch Illinois, New York

Pending such a program, the commissioners will watch with interest the legislative program being sponsored by Insurance Director Palmer of Illinois and the reconstruction of the insurance code of New York.

President Sullivan recalled that certain private firms of accountants and actuaries several months ago were endeavoring to secure the privilege of making routine and special examinations under contract with the various states. In order to consider the propriety of such arrangements, Mr. Sullivan brought the matter before several conferences of commissioners. At some of

(CONTINUED ON PAGE 15)

Connecticut Mid-Year Meet Was the Largest in History

REGISTRATIONS EXCEED 200

President Sturgess Keeps Proceedings Moving—E. J. Cole and George W. Scott Are Outside Speakers

NORWICH, CONN., June 10.—The Norwich Inn provided an ideal setting for the mid-year meeting of the Connecticut Association of Insurance Agents Monday and Tuesday. There were 20 present at the executive committee meeting Monday evening and over 200 registered for the convention the following day. This was the largest mid-year meeting ever held by the Connecticut association.

President Thomas A. Sturgess of New Haven presided over the business session Tuesday and saw to it that all speakers were not unmindful of the informality of the occasion and in sympathy with the theme of the convention, "Brevity."

Paragraph reports were submitted by President Sturgess, Harold W. Hatch, New Britain, chairman special committee on compulsory automobile liability insurance, and Paul H. Taylor of New Haven, chairman membership committee.

George W. Scott, assistant secretary National association, briefly discussed the subject of membership.

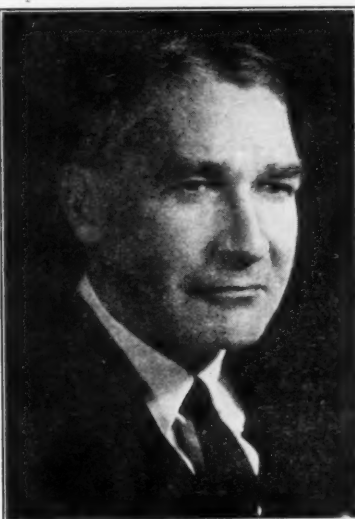
The Connecticut association voted to amend the constitution and by-laws to provide for the delegates to National association conventions, whose expenses are to be paid by the state association.

After luncheon Tuesday the delegates and guests were given an opportunity to play either golf or baseball. Umpire Tom Sturgess reports the baseball game he refereed was called on account of darkness with the score tied at 63 to 63.

The salvation of the insurance business depends on its solvency in its relation of equal justice to the insurance buyer and the company, declared E. J. Cole, Fall River, Mass., past president National Association of Insurance Agents.

"The insurance buyer today," he said, "is better informed and more concerned about coverage and cost than ever before. He therefore lends a willing ear to suggestions that will effect improvement or remove defects and result in rate reduction." Mr. Cole warned against rate readjustments because of competitive conditions only and urged complete cooperation with the National association in its activities. He said the

Executive Committee Chairman from the East



LOUIS H. PINK, New York

Insurance Superintendent L. H. Pink of New York is chairman of the executive committee of the National Association of Insurance Commissioners, which is holding its annual meeting at St. Paul this week. He is one of the foremost state officials and has with him at St. Paul many of his official staff.

Company-Agency Stock Fire Insurance Office for business development is a step forward in coordinating cooperative agencies.

Commenting on the compulsory automobile liability law in his own state he expressed the belief it was "on the way out."

Corwin to South Seas

Carl A. Corwin, San Francisco general agent, is aboard the S. S. "Makura" enroute to the South Seas, where, accompanied by Mrs. Corwin, he will enjoy an extended vacation.

C. W. Pierce Is Honored

C. W. Pierce, vice-president in charge of the engineering division of the America Fore group, was honored by Ernest Sturm, chairman of the Continental, being presented a gold medal marking a quarter of a century of service. Mr. Pierce joined the Continental June 5, 1910.

S. E. U. A. Holds Its Annual Meeting in Hot Springs, Va.

BICKERSTAFF AGAIN AT HELM

Chief Engineer H. N. Pye Presents Report on the Many Important Activities of His Department

HOT SPRINGS, VA., June 10.—Preceded by a two-day meeting of the executive committee, the Southeastern Underwriters Association is in annual session here today. This is the close of the first year's administration of C. A. Bickerstaff of Atlanta, manager Fireman's Fund. In his address he covered developments during the past year and outlined plans for the year ahead. His reelection is certain.

Chief Engineer H. N. Pye, in his report, referred to the fact that the new municipal report form has been developed during the year and it will be used hereafter in reporting on all towns.

Liscomb Asks Friends to Cease in Boom for Post

ST. PAUL, June 10.—Believing the boom to make him president of the National Association of Insurance Agents has gone far enough, Charles F. Liscomb of Duluth, member of the executive committee from Minnesota, has appealed to his friends to desist. In a brief statement read before the annual convention of the Minnesota association at St. Paul, Mr. Liscomb said:

"Out of an abundance of home folks' friendships, a suggestion emanating from Minnesota and reprinted in some insurance papers has been made that my name be considered in connection with the chairmanship of the National association. This is a case of the best of intentions producing embarrassment to me because I am a staunch believer in the theory of such a position seeking the man best qualified to fill such an important position and conversely that anyone who seeks such a position should not have it."

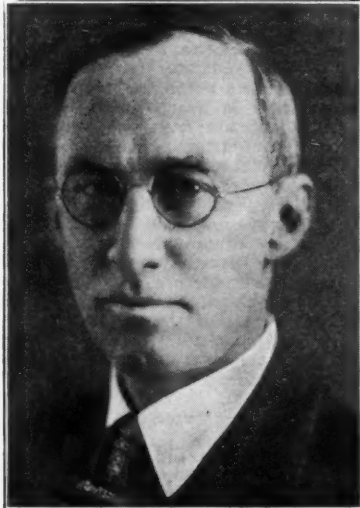
"I have been fully honored by three years' service as a member of that committee and expect to retire therefrom and return as a private in the ranks at the forthcoming Pittsburgh convention. My friends will therefore do me a great favor if they will 'cease and desist'."

Additional Fire News on Page 50

INSURANCE COMMISSIONERS IN ANNUAL MEETING



W. A. SULLIVAN, Washington President



ERNEST PALMER, Illinois First Vice-President



G. A. BOWLES, Virginia Second Vice-President



JESS G. READ, Oklahoma Secretary

"Today's Fire Can Destroy Tomorrow's Income"

says the Alliance national
advertising for June.

Reminding business-men
that the indirect losses from
a fire are often the most
serious, and explaining the
value of Alliance Use and
Occupancy protection, the
advertising tells readers to
**"ASK THE ALLIANCE
AGENT."**



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch St., Philadelphia
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 231 Sansome Street

Minnesota Agents Meet at St. Paul

S. C. Aldridge of Convention City
Named President to Succeed Brown

BENNETT ISSUES WARNING

Secretary of National Association Calls
Attention to Ruling Affecting
Right of Contract

ST. PAUL, June 10.—S. C. Aldridge, chairman of the executive committee the past year, was elected president of the Minnesota Association of Insurance Agents at the annual meeting here. He succeeds C. O. Brown, Rochester. P. H. Ware, Minneapolis, was reelected secretary-treasurer, and R. M. Thompson, Minneapolis, executive secretary. Vice-presidents representing several districts were elected.

Quaid Gives Talk

The value of trade associations to the local agent was stressed by William Quaid, vice-president, Southern Fire, New York.

"The one thing that we must be careful of, however, is not to confuse organization with competition," he said. "Organization does not for one minute mean less competition. What it does mean, and should mean, is more competition, finer competition, keener competition and cleaner competition."

Minnesota agents were told that unless they are alert they will soon find state-wide competition from township mutuals, now restricted to towns of 1,000 inhabitants. The warning was given by Bert J. Costello, chairman insurance committee of the Minnesota house of representatives. He declared that unless the agents put up a determined fight at the next session the township mutuals will achieve their goal of state-wide coverage.

Address of C. O. Brown

C. O. Brown of Rochester, in his presidential address before the annual meeting of the Minnesota agents, referred to the fact that membership today is 445 as compared with 433 on Sept. 1, 1935, the beginning of the fiscal year. He said that at the special legislative session no insurance legislation reached the point requiring action on part of the association. At the general session of the legislature during the coming year there will probably be many insurance measures introduced. He urged all members to ascertain the attitude of the various candidates for the legislature on matters pertaining to insurance and to work in behalf of the election of those who are friendly. Probably a new or a revised agents qualification law will be introduced under the sponsorship of the insurance department.

Mr. Brown recalled that on Dec. 1, 1935, commissions on compensation business in Minnesota were fully restored. The special compensation committee deserves the credit for this.

He referred to the fact that at the special meeting of the executive committee in May the retrospective rating plan for compensation was approved. He praised the new agents and solicitors application which was recently adopted by the Minnesota department. Mr. Brown said he is more than ever convinced that a full time secretary should be employed. The duties of the secretarial office are too great to be efficiently and properly performed by a part time man, he declared.

Rev. W. H. Murk, Temple Baptist

Church of St. Paul, spoke the invocation. Mayor Gehan brought greetings on part of the city. S. C. Aldridge, president St. Paul Insurance Exchange and chairman state executive committee, spoke for St. Paul. E. C. Huhnke of Duluth, member state executive committee, responded. He is a native of Minneapolis. He extended an invitation on behalf of the Duluth Underwriters Association to hold the 1937 convention in his city.

C. O. Brown of Rochester, president of the state association, gave his annual report.

R. M. Thompson, Minneapolis, executive secretary, announced that with the Firemen's group being put on the National association cooperating list, 28 new members that heretofore were ineligible have been admitted. The treasurer's report showed balance of \$1,975.

Committee Reports

E. A. Storvick, Albert Lea, chairman membership committee, was commended for his hard work. He said personal solicitation is necessary to induce agents to join. Most discontinuances, he stated, come from points where there are no local boards.

P. H. Ware, Minneapolis, gave the report of the agency qualification committee. The Minnesota department and the agents body joined hands in the effort to raise the agency license standard. In due season a new or amended draft of a license law will be presented to the legislature. The companies pay to the state about \$1,795,000 in taxes but the insurance department appropriation is only \$48,500. The office, Mr. Ware said, is thus seriously handicapped in its effort to protect the public. It can not afford to add to its facilities.

C. F. Liscomb, Duluth, national councillor, said that the councillors in Western Underwriters Association territory make a strong, cohesive group. He read a letter from Sidney Smith of Gainesville, Ga., member national executive committee, who told about the new joint Business Development Office in New York City to render service to combat mutual competition.

R. A. Burns, St. Paul, chairman legislative committee, said that he had worked in harmony with the Minnesota Insurance Federation. No hostile acts that affected insurance were passed.

Visitors Introduced

Chester Ford of Des Moines, former Iowa association president, was introduced. He said the Iowa department had become much more active in protecting the interests of agents.

E. M. Allen, vice-president National Surety, former National association president, stated that conventional things are being disregarded and new movements are being felt. Agents' organizations should keep in step with these new ideas. They need to make their service more and more valuable. He called attention to the diversion of risks from the regular agency channels and declared it is up to the agents to hold the fort but they must do it intelligently.

Glen A. Morton of St. Paul was appointed chairman of the nominations and Frank Preston of Minneapolis chairman resolutions committee.

Secretary Walter H. Bennett of the National association called attention to the dangers to insurance involved in the recent U. S. Supreme Court decision declaring unconstitutional the New York minimum wage law for women. He pointed out that 16 other states have enacted minimum wage laws, in the belief that the right to do so belonged to

(CONTINUED ON PAGE 8)

WANTED

Special Agent wanted for State of Ohio by strong fire insurance company. In first letter give experience in detail, age, family, and salary expected. Man with energy, initiative and personality required.

ADDRESS D-37, NATIONAL UNDERWRITER

Valuation Basis Adopted for the 1936 Statements

ST. PAUL, June 10.—The following resolution setting forth the basis for the valuation of securities in the Dec. 31, 1936 annual statements was adopted at the annual meeting of the National Association of Insurance Commissioners:

Resolved, that the book on valuations of securities to be published under the auspices of the National Association of Insurance Commissioners in January, 1937 shall be prepared upon the following basis:

1. Stocks and bonds (other than those described in paragraph 2 below) shall be valued at market quotations as of Dec. 31, 1936, except that in the case of securities not quoted on that date the latest available information shall be used. Stock valuations shall include dividends declared or accrued.

Municipal Bonds

2. Bonds of states of the United States and of provinces of the Dominion of Canada and political subdivisions thereof shall be valued as follows:

(a) Such bonds which are not in default shall be valued at the mean of the values established by the National Association of Insurance Commissioners for Dec. 31, 1935 and the market quotations as of Oct. 1, 1936, but in no case at values greater than the market quotations as of Oct. 1, 1936. Such bonds if issued in 1936, prior to Oct. 1, shall be valued at Oct. 1 market quotations; if issued subsequent to October 1, the original offering price (cost) shall be used.

(b) Such bonds which are in default shall be valued by the publishers of the Association Book on Valuations of Securities with such reasonable adjustments of market quotations as of Oct. 1, 1936 as are warranted by the circumstances involved in the separate issues. Such adjusted values should approximate the mean of the valuations established by the association for Dec. 31, 1935 and the market quotations as of Oct. 1, 1936 and shall be subject to review by the committee on valuation of securities.

Resolved, that for the inventory of stocks and bonds in the annual statements of insurance companies and societies as of Dec. 31, 1936, the following basis is recommended as fair market value:

1. All bonds amply secured and not in default shall be valued on an amortized basis wherever and in the manner permitted by law.

2. All other bonds—and where amortization is not permitted by law all bonds—should be valued as shown in the Book on Valuations of Securities published under the auspices of the National Association of Insurance Commissioners.

3. Stocks should be valued as shown in the Book on Valuations of Securities, except as hereinafter provided.

Value in the Aggregate

4. Stocks held by life insurance companies may be valued in the aggregate at the cost or book value, whichever is lower, provided the income received by such companies on such stocks in the aggregate, during each of the five years preceding the date of valuation, shall have been at a rate sufficient to meet the interest required to maintain policy reserves and other policy obligations, and provided further that the net investment income received by such companies on their ledger assets shall not have been less than required to maintain the reserve. This shall not apply to stocks of corporations in receivership or similar status. Cost as used shall be held to include stocks received as exchanges or rights received as dividends or otherwise at not to exceed the market value quoted on the date they are acquired.

Further resolved, that in cases where the condition of insurance companies may require the immediate disposition of securities, it is recommended that the discretion of the state supervisory officials of insurance should be exercised to vary the general formula herein set forth, so as to adopt prices reflected by the exchanges.

Scribblings from St. Paul

Superintendent Pink of New York captured the cup for having the largest official brood in attendance at the annual meeting of the National Association of Insurance Commissioners in St. Paul. There were: First Deputy R. M. Clark, J. J. Magrath, chief of the rating bureau; C. A. Wheeler, casualty chief; Max A. Jameson, chief of the liquidation bureau; Nelson Hadley, life insurance chief; John Diefendorf, miscellaneous and fraternal; Charles Ryan, fire; Herbert Clark, title; Charles Dubar, actuary, and Deputy T. J. Cullen.

Hector R. Ball, commissioner of Porto Rico, who made the trip in an attempt to win the 1937 convention for San Juan, was quite a favorite. This was his first trip to the United States and the conventioners took delight in pointing out to him the various sights. He landed in New York a week ago Monday and after scanning Broadway, he went to Washington for two days before embarking upon the commissioners' junket. He has some difficulty with the English language, but he is a jolly man and captivated all.

Only a handful of Chicagoans turned out Saturday evening to welcome and help entertain the crowd during the few hours after arriving from Detroit and before departing for Madison, Wis. B. J. Nietschmann, Chicago, man-

ager National Surety, was on the special train and he arranged a night club appearance for part of the crowd. At this place Commissioner Ball of Porto Rico was introduced by Sophie Tucker and took a bow. Harry H. Fuller, deputy U. S. manager, and A. M. Savage, insurance superintendent of the Zurich, and Frank M. Chandler of the Central Mutual of Chicago, constituted the rest of the Chicago greeters.

B. A. Dugal, Quebec insurance superintendent and president Association of Canadian Insurance Superintendents; H. D. McNairn, Ontario superintendent; A. E. Fisher, Saskatchewan superintendent, who has held office since 1913, attended the convention.

Commissioner and Mrs. Yetka of Minnesota established personal and official headquarters in the penthouse of the Lowry. They gave a luncheon Monday for the visiting commissioners, members of their staff and their ladies.

Garfield Brown, former Minnesota commissioner and an ex-president of the association, assisted on the reception committee. He will go to Chicago next week to take his new position with the American Mutual Alliance.

General Chairman George W. Wells of the arrangements committee in charge of the local end of the insurance commissioners meeting at St. Paul had his hands full both before and during the convention. He practically gave up his work as secretary of the Northwestern Na-

tional Life to devote his time to looking after the entertainment features, hotel accommodations, etc. He did a fine piece of work.

Commissioner Sullivan of Washington, president of the commissioners' organization, and Mrs. Sullivan, arrived Saturday and were taken in hand by John A. Hartigan of St. Paul, inspector of agents Equitable Life of New York.

The two main hotels, the Lowry where the business sessions and dinners were held, and the St. Paul, a block or so away, were jammed to the roof. The overflow was taken care of at the St. Paul Athletic Club and the Minnesota Club.

William Quaid, vice-president Southern of New York, who is doing public relations work for the Home group, has been on convention assignments for seven weeks. He arrived in St. Paul from the Kentucky agents meeting and is leaving for the North Carolina Agents Convention at Hendersonville, Monday and Tuesday.

Commissioner J. J. Holmes of Montana was the first to arrive on the scene, he registering Friday night. On Saturday he went to his old home office, the Minnesota Mutual Life, he having been general agent at Great Falls. He spent the week end with Vice-President H. J. Cummings at his summer place.

H. K. Dent of Seattle, president of the General Fire of that city, who was toastmaster at the commissioners' banquet there last year, is attending this convention.

John M. Powell, president Loyal Protective and Loyal Life, who attended the annual meeting of the American Institute of Actuaries at Minneapolis remained over for the commissioners' convention.

Farewell for Fairleigh

LOUISVILLE, June 10.—The junior board of trade of Louisville gave a farewell dinner in honor of its retiring president, George D. Fairleigh, who becomes managing editor of the "American Agency Bulletin," in New York. He was presented a handsome traveling bag.

O'Malley's Attack on Fraternalists at St. Paul Meeting

ST. PAUL, June 10.—Superintendent O'Malley of Missouri, fiery and pugnacious, threw a hand grenade in the first session of the insurance commissioners meeting here following the presidential address of W. A. Sullivan of Washington, who paid tribute to the work the fraternalists are doing.

Mr. O'Malley took the platform, objecting to the injection of the fraternal tribute, because he said the issue over these societies is highly controversial. He asked that the reference to fraternalists be eliminated or if the president refused then he demanded a hearing so that his arguments could be marshalled.

Charges Are Made

He declared he had received many complaints about the methods employed by the fraternalists. They are writing strictly old line contracts, use legal reserve rates and yet do not want to conform with requirements placed on companies of that class. He said they try to dodge rightful taxes and some states have brought suits to recover.

Growing more outspoken he asserted that many fraternal policyholders had been called on to suffer losses due to abuse of official privilege. Some societies, he contended, had spent large sums for transferring old policyholders to legal reserve basis. Old holders, he added, have been crucified. Fraternalists, he said, write at legal reserve rates and yet at will can levy assessments and raise rates. He stated the issue is a serious one and he demanded opportunity to prove his position.

After Mr. O'Malley's fulmination,

Minnesota Official Is Host at the Convention



FRANK YETKA

Frank Yetka, Minnesota insurance commissioner, is the official host at the annual meeting of the National Association of Insurance Commissioners in St. Paul this week. For a while, it was feared he could not be present. Mr. Yetka sustained serious injuries a few weeks ago in an automobile accident as he was motoring to his home at Cloquet over the week end. He was in the hospital there and 10 days ago started on his official duties at St. Paul, spending an hour or so a day at his desk. Infection set in affecting his intestinal tract. He went to the Mayo Clinic at Rochester, Minn., and after investigation and some treatment was able to return to St. Paul Sunday. He will be forced to take life more leisurely for a while.

President Sullivan without further adieu or comment immediately introduced Superintendent McNairn of Ontario for his set address. On adjournment Commissioner O'Malley rushed to the platform to demand some expression from President Sullivan. The latter, evidently angered at the attack, replied that he intended to let the address speak for itself and hurried away from the aggressor.

The specific part of the presidential address to which Mr. O'Malley took exception stated that fraternalists had loaded their rates to provide for taxes and if they are taxed their whole structure might collapse. Commissioner Sullivan said he favors well regulated, well managed fraternalists because they do a needful service. His remarks as to fraternalists were:

Remarks of O'Malley

"During recent months the courts of several states have held that premiums collected by fraternal organizations are subject to premium tax upon the same basis as standard companies. Some courts have gone so far as to make the effect of their decisions retroactive. If these decisions are sustained by the Supreme Court serious losses to fraternalists are inevitable, and in some instances would likely be disastrous, due to the failure to maintain reserves against this completely unexpected expense. An emergency exists, and this association might well undertake or authorize the development of some constructive program to avert or mitigate this great hardship. Sound fraternal insurance fills a definite need in the United States and its protection and preservation is of paramount interest to a vast number of our citizens."

Commissioner O'Malley has blood in his eye and boldly states he intends to bring the fraternal issue to the floor of the open meeting before the convention closes.

(CONTINUED FROM PAGE 6)

the state, but he said the Supreme Court decision denies a state the power to legislate concerning its own affairs.

He said that as a result, apparently neither the federal government nor the state has power to fix minimum wages. He said that grave danger existed for the insurance business because, inasmuch as the state is ruled without power to control the execution of contracts between employers and women who are of full age, "how can it have anything to say in relation to the provision of an insurance contract, whether it be with a man or a woman?" Mr. Bennett urged agents to give more attention to the preservation of states' rights and to become more serious minded about "these encroaching infirmities labeled unconstitutional powers."

Establishment of a state board of examiners to pass upon the fitness of agents was advocated before the meeting by Dewey W. Johnson, deputy commissioner. He said such a board should be non-political and made up of competent insurance men. Mr. Johnson told of the efforts of his department to improve the standards of agents and predicted that as a result of the recent agents' qualification questionnaire sent out many agents in the state would be

John B. Sirich of I. U. B. Dies; Was Noted Authority

John B. Sirich, assistant manager of the Interstate Underwriters Board, New York City, died at his home in East Orange, N. J. He had suffered a breakdown early this year as the result of too intense application to his work and had been on leave of absence since that time.

Mr. Sirich was born in Baltimore and began his insurance career in the office of his father, who was manager of the branch office of the Boston for Baltimore and vicinity. He later became special agent National Union Fire, with which he was associated for more than

driven out of business because of their inability to fill it out to the satisfaction of officials.

Out of more than 14,000 questionnaires mailed last spring less than 10,000 have been returned to the department, though the deadline was June 1.

The proposal of southern Minnesota members of the association to engage a full time executive secretary was referred for future action.

12 years. During that connection he was placed in charge of the company's binding office in New York City. Mr. Sirich then became secretary of Logue Brothers general agency at Pittsburgh, then going to Florida for a few years, and in 1927 went to Philadelphia to join the Lumbermen's. He became assistant manager of the I. U. B. in 1929, shortly after its organization.

Mr. Sirich was recognized as one of the best authorities in the country on general cover contracts. He was widely known among company men and agents throughout the country and was highly respected for his fairness and keen sense of obligation to his work. He was frank and outspoken and his sincerity of purpose gained him countless friends throughout his career.

Miami Increases City Tax

The Miami, Fla., city commission has passed an ordinance placing a 5 percent fee on all fire insurance premiums as a portion of the tax to do business in the city. This would be in addition to the \$110 annual license fees now required for agencies handling all lines of insurance. An attack on the validity of the ordinance is pending in circuit court there.

Kentuckians Seek Rewriting of Laws

To Name Special Committee to
Redraft Obsolete Sections Which
Hamper Progress

PEEL NEW AGENTS HEAD

State Association Holds Annual Business Session and Sales Congress
at Louisville

NEW OFFICERS ELECTED

President—Dwight R. Peel, Benton.

First vice-president—S. Houlihan, Lexington.

Second vice-president—D. H. Putnam, Ashland.

Secretary-treasurer—P. B. Bethel, Louisville (reelected).

National councillor—G. R. Reed, Columbia.

LOUISVILLE, June 10.—Kentucky's fire and casualty insurance laws are recognized to be obsolete, the Kentucky Association of Insurance Agents declared in a resolution adopted at the annual meeting here, and the incoming administration was instructed to appoint a special committee to redraft the old sections in a virtually complete recodification ready for introduction in the 1938 legislature. Active support of the national traffic safety effort also was voted.

J. D. McPherson, Jr., Madisonville; H. B. Wilson, Irvine, and C. D. Harris, Louisville were carried over on the executive committee.

Secretary Bethel announced after the meeting that President Peel named W. H. Noel, Harlan, Ky., on the executive committee, which is now completed. Registration this year was 222 as against 148 last year.

Mr. Peel, previously first vice-president, succeeds G. R. Reed of Columbia, who was president for two years. Secretary Bethel is also secretary-treasurer Louisville Board. Mr. Reed succeeds as councillor J. S. Long, Louisville. C. D. Harris is president Louisville Board.

C. D. Harris, president Louisville Board, extended welcome, with response by D. H. Putnam of Ashland.

Secretary P. B. Bethel reported 221 members, a gain of 15, there having been 45 new members added, but 30 dropped. There are about 200 potential members in the state not in the association. The effort of Secretary W. H. Bennett, of the National Association of Insurance Agents, and Secretary Bethel to clear the classification of a local agent before the social security board, which looks upon the local agent as an employe of his company, was mentioned.

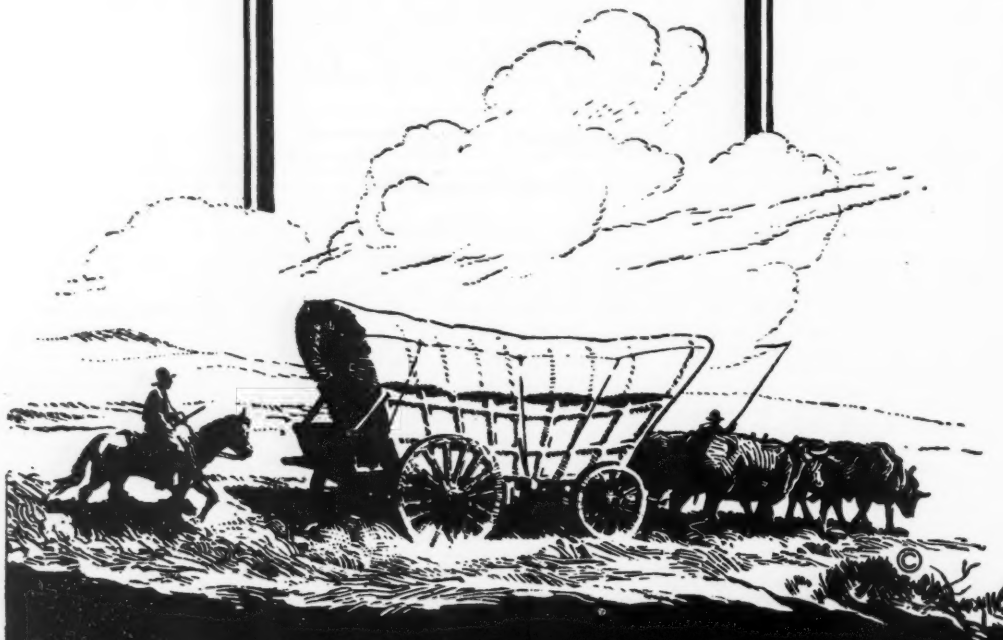
President Reed's Address

President Reed in his annual report discussed the membership problem, cooperation by united forces, education in regional work in which the Kentucky Fire Underwriters Association has lent valuable aid, and legislation. Cooperation of the insurance department was considered satisfactory, it being reported adjustments had been equitably handled. Mr. Reed reported the executive committee voted in favor of the retrospective rating plan for workmen's compensation. He endorsed the new stock company-agency office.

F. T. Priest, Wichita, Kan., member of the National executive committee, discussed National association matters,

(CONTINUED ON PAGE 40)

LOSSES PAID
SINCE ORGANIZATION
\$212,480,689.46



The SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

Geo. G. Bulkley, President

SPRINGFIELD FIRE & MARINE INSURANCE CO.	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	PITTSFIELD, MASS.

U. & O. Presentation at Philadelphia Function

Most interesting of all the conferences during the Pennsylvania Insurance Days gathering in Philadelphia was the fire group session. Many life and casualty men attended as well as fire men. J. V. Herd, vice-president Fire Association, presided and spoke on use and occupancy insurance, which he illustrated by diagram.

He said importance of this coverage was steadily increasing, following changes in the production and distribution of commodities.

Whereas formerly merchants had large capital invested in stocks, today purchases are small and generally bought at the time of sale. This reduces hazard in stock, but increases hazard on interruption to business. He cited a large merchant who carried \$500,000 stock and had sales of \$25,000,000 a year, who over a period of 30 days could have loss in interruption of business exceeding loss of stock.

Obsolescence of Machines

Manufacturing is being conducted along similar lines, he said. More economical use is being made of machines, for they become obsolescent more rapidly than they wear out; and manufacturers often run them 24 hours a day. This situation makes business interruption insurance more valuable than ever before.

A number of years ago the valued form was the only one sold, Mr. Herd said, but he held the standard forms of today are the best the assured can buy except in unusual cases. He felt that the per diem form was mere guess work, and was opposed to the valued form because it prescribes certain valuation for loss of use throughout the year, whereas if business is on a cycle of seasonal peak, there will be too great a valuation part of the year and not enough the balance of the time.

Presents Suggested Form

He said a knowledge of accounting practice was important in sales of this coverage, and offered the following form:

Net sales	\$ 1,000,000
Cost	700,000
Gross insurable U. & O. value ..	300,000
Deduct ordinary payroll \$120,000	
Other items stopable	
Heat, light & power .. 10,000	130,000
Item I (arbitrary) 100% to value	\$ 170,000
Item II Ordinary payroll (generally carried for 90 days) ..	30,000
Amount U. & O. needed	\$ 200,000

He said that the 80 percent coinsurance feature had been made available with this form which has gained much popularity.

General Cover Discussion

De Mott Belcher, manager general cover department, America Fore group, spoke on general cover and reporting cover contracts, and answered questions. He said there was talk that the Interstate Underwriters Board was cutting rates, following its action in filing a 30 percent reduction in New York state; however, Mr. Belcher said, to get the reduction assured must have over 200 locations. Companies seek to avoid syndicate lines as they feel these take business away from agents and brokers.

H. G. Evans, chief division of companies, Pennsylvania department, spoke on practical analysis of an insurance statement. He said the statement is not intended to show net worth but to determine ability to perform contract.

Observe Bicentennial

The Pennsylvania Insurance Federation devoted a portion of its annual program to observance of the bicentennial of fire protection in America, the first fire company—the Union Fire—having been started in Philadelphia in 1736 by Benjamin Franklin. There was an educational exhibit of fire relics and models of old fire engines on the registration

floor. The Philadelphia fire department gave a demonstration of the high-pressure system at Broad and Chestnut streets, Philadelphia's busiest corner. Philadelphia newspapers devoted columns of front page space to the affair.

Ketcham, Sullivan to Confer

ST. PAUL, June 10.—Commissioners Ketcham of Michigan and Sullivan of Washington will have a conference here over the former's ruling that the General of Seattle will not be allowed to file deviation rates in the state and the latter's retaliation that Michigan com-

panies will not be allowed to use deviation rates in his state. Ketcham is disposed to stick to his position. He fails to see why any company should be favored in his state, as agents of the General have said they will fill subsequent deviations if they see fit.

Chicago Board Annual Outing

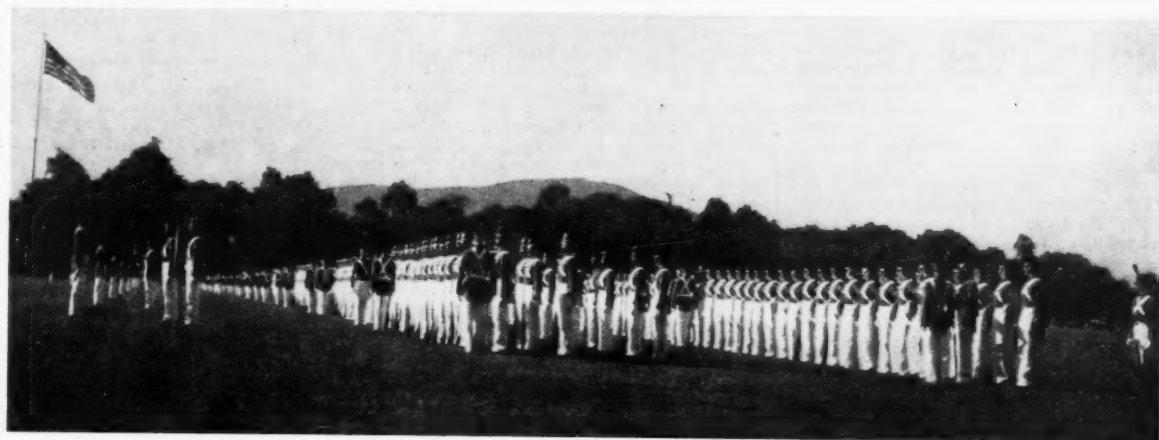
The metropolitan supervising members of the Chicago Board held their annual golf tournament and outing at Big Foot Country Club, Lake Geneva, Wis., Tuesday, and the affair was one of the best attended on record. Dinner was served

at six o'clock. W. P. Robertson, manager North America and a member of the fellowship committee, awarded the prizes as follows:

Handicap tournament winners: Class A, C. A. Anderson; Class B, M. C. Ale-shire; Class C, John Stafford; putting, L. D. Stitt; basket pitching, Otto Nottleman; blind bogey, T. J. Reidy; low gross four short holes, T. J. Hall; most balls in water on 17th hole, George Bowman.

Read the **Casualty Insurer**. Sample copy 10c. A1946 Insurance Exchange, Chicago.

Security for American Property Owners Since 1841



On historic plains of West Point

Security

The American people maintain West Point for the security it gives this Nation - - the Security of New Haven maintains a financially strong company with adequate reserves for the security it gives agents and assured.

For 95 years this typical New England stock company has provided dependable security. A loyal group of agents consider the Security of New Haven a key company in their agency.

Do Business with a Strong American Stock Company Operating Through Responsible Agents

HOME OFFICE
NEW HAVEN, CONN.

1841

Security
Insurance Company
OF NEW HAVEN, CONNECTICUT

WESTERN DEPT.
ROCKFORD, ILL.

The East and West
Insurance Company
OF NEW HAVEN, CONNECTICUT

PACIFIC DEPT.
SAN FRANCISCO, CAL.

The Connecticut
Indemnity Company
NEW HAVEN, CONNECTICUT

NEWS OF THE COMPANIES

Report of Commercial Union

Fire Loss Ratio in 1935 Was Lowest in History; General Experience Was Good

The fire loss ratio of the Commercial Union in 1935 was 39.2 percent, the lowest in its history, attributed largely to the unusually favorable experience in the United States. Fire premium income for the year was £5,266,449, decrease £108,370, expense ratio was 50.2 percent, the same as in 1934. Underwriting profit was £602,063, or 11.43 percent, compared with 8.23 percent in 1934.

Net premium income of the marine department was £584,935, increase £42,373. Accident and health premium income was £7,608,467, increase £184,763. This increase was largely made in home and foreign fields, American business showing little improvement because of changes in underwriting policy and elimination of some undesirable business. Accident underwriting profit was £258,630, or 3.4 percent.

Home Office Results Analyzed

L. & L. & G. in 1935 Had an Exceptionally Fine Record, Chairman A. E. Pattinson Reports

The report of the annual meeting at the head office of the Liverpool & London & Globe has now reached this country, showing that in 1935—its 100th anniversary year—the underwriting profit was the largest in history except in two exceptional years immediately following the war. The profit was £637,839, the fire department contributing £482,741, accident, £133,809, marine, £21,289.

Chairman Arthur E. Pattinson referred to the fact that in May, 1836, the deed of settlement of the Liverpool Fire & Life was signed. "The narrative of the company's birth and growth is a record of opportunities grasped and used to the full—of advancement some times spectacular, at other times quietly progressive, guided by wise forethought, and built on a foundation of unassailable strength and security," he declared.

Mr. Pattinson referred to the great

development of accident insurance. Whereas the aggregate fire premiums of all British companies increased from £21,000,000 in 1900 to £51,000,000 in 1934; accident premiums in 1900 were less than £4,000,000 and in 1934 exceeded £64,000,000.

He referred to the volume of legislation affecting insurance in so many countries. In some of the countries the continual changes of the law prove to be a source of embarrassment. In Mexico the requirements were of so onerous and unbusinesslike a character that early this year all British and foreign companies ceased to operate there, he recalled. Insurance as a vital national industry asks only for reasonable treatment and consideration, he said.

Fire premiums in the United States show a slight increase, losses were again low and expenses were slightly higher, due to taxation. Mr. Pattinson paid especial tribute to Harold Warner, U. S. manager.

Canadian Premiums Dropped

Canadian premiums dropped somewhat, but there was a reduction in losses and underwriting profit. A. F. Glover, Canadian manager, attended the annual meeting.

In 1935, for the first time in seven years, he observed, the stock casualty companies in the United States had an underwriting profit. Although it was less than 2 percent, he expressed the hope that it augurs better times. He said he can see no prospect of profits being shown under existing conditions in compensation in the United States, however. The number of automobile accidents is alarmingly high and it is not yet obvious, according to Mr. Pattinson, that any tangible benefit has been derived from the campaign which is being waged for greater safety.

Duncan Reid, president of the Globe Indemnity, attended the meeting and Mr. Pattinson praised him because the results of the Globe were better than the average of all companies.

Hull Line Gives Concern

Mr. Pattinson expressed concern because of the present state of hull business. There has been no improvement in the market. Rates have been further reduced and conditions made more burdensome for underwriters, largely due to the frenzied competition of some whose enthusiasm for business outruns their underwriting discernment. There is need for practical cooperation amongst underwriters.

The report and accounts of the L. & L. & G. show that the underwriting surplus after making full provision for outstanding liabilities and reserves is £663,839, against £507,388 in 1934.

In the fire department, the premiums were £3,960,629 and losses £1,588,191.

In the accident and miscellaneous departments, premiums were £4,293,399 and claims £2,582,401.

In the marine department premiums were £290,393.

Head Office Statement of the Netherlands Exhibited

The home office statement of the Netherlands, which is now available in this country, shows assets £16,657,696. The principal items are investments at the middle market price of Dec. 30, 1935, £2,100,312, shareholders' liabilities £620,048, cash £202,947, total assets Life Assurance Company of the Netherlands £12,062,115.

Paid up capital is £620,048, reserve for unexpired risks £667,394, total supplementary reserves £1,495,379 and total liabilities of the Life Assurance Company of the Netherlands £12,062,115.

The net premiums in the fire and miscellaneous departments in 1935 were £892,342 and losses paid £348,359.

In the marine department premiums were £150,776 and losses £96,553.

In the accident department premiums were £246,349 and losses £113,561.

In the consequential loss department, premiums were £56,587 and losses £14,953.

Equity Fire in Tennessee

The Equity Fire, Bruce Dodson stock fire carrier, has been entered in Tennessee. The Memphis branch of the Dodson organization under E. R. Slater will develop an agency plant.

Pearl's Head Office Figures

LONDON, June 10.—The newly issued annual statement of the Pearl reveals total assets of \$510,837,989, as of Dec. 31, 1935, with free capital of \$7,500,000 and free surplus of \$93,724,110.

American Druggists' Jubilee

The American Druggists' Fire of Cincinnati observed its 30th anniversary at a convention in its home city of Cincinnati last week. High officials of the various national drug and pharmaceutical associations attended. President C. H. Avery welcomed the delegates.

Robertson Vice-President, Director

W. P. Robertson, western general manager of the North America, has been elected vice-president and a director of one of the subsidiaries, National Security Fire of Omaha.

The Hayflower Securities Company, the holding company of the Aetna Fire group, has increased its capital from \$3,000,000 to \$4,000,000.

FIELD MEN'S NEWS

Missouri Field Men Gather

Fire Underwriters Association and State F. P. A. Hold Joint Meeting at Pla-Port

T. W. Caldwell, Jr., Home of New York, Kansas City, was elected president of the Missouri Fire Underwriters Association at the annual meeting at Pla-Port on Lake of the Ozarks. G. J. Seibold, America Fore, St. Louis, was named vice-president, and Otto A. Ramseyer, North America, Kansas City, was reelected secretary-treasurer.

A. F. Nelson, New York Underwriters, Kansas City, was elected president of the Missouri Fire Prevention Association. Earl A. Spink, Fireman's Fund, St. Louis, was elected vice-president, and J. Burr Taylor, St. Louis, was named secretary.

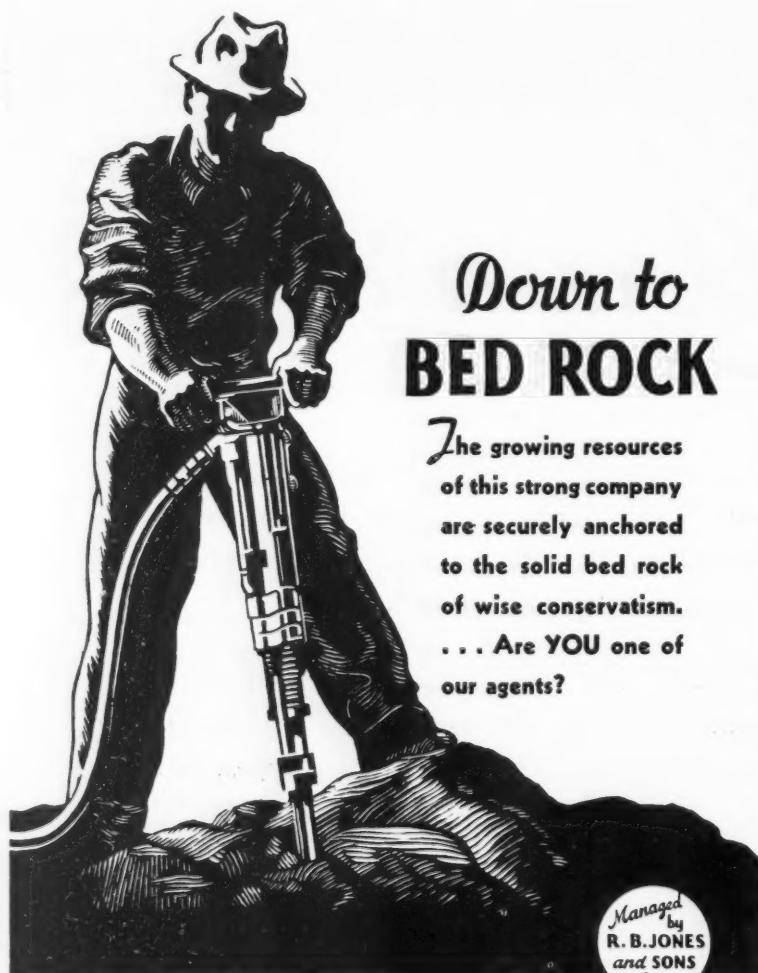
Balances in Good Shape

Discussion revealed that balances are in the best shape they have been for many years. Excellent results from the educational campaign among agents being sponsored by the association were indicated in reports of T. O. Nuckels, Springfield Fire & Marine, Kansas City, chairman committee in charge, and Otto A. Ramseyer, secretary.

One of the largest crowds in the history of the group attended the annual banquet at which R. W. Smith, Aetna Fire, St. Louis, was toastmaster. R. E. Vernor, manager fire prevention department Western Actuarial Bureau, Chicago, stressed the good that might be accomplished by the fire prevention association, and said it was up to members to take advantage of facilities of his department.

Oklahoma Men Ponder the Mutual Issue, Hail Losses

OKLAHOMA CITY, June 10.—The Oklahoma Fire Underwriters Association met Tuesday morning in annual convention at the Oklahoma City Golf & Country Club with President R. W. Crow in the chair. Following the president's address and reports of standing committees, the convention plunged into animated discussion of mutual competition, which is declared to be one of the



Down to
BED ROCK

The growing resources
of this strong company
are securely anchored
to the solid bed rock
of wise conservatism.
... Are YOU one of
our agents?

Managed by
R. B. JONES
and SONS
Inc

KANSAS CITY Fire and Marine
INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH.

KANSAS CITY,
MISSOURI

outstanding problems facing stock companies in Oklahoma at present.

At the closing session Wednesday morning the heavy hail losses experienced in Oklahoma came up for discussion with special consideration given to working out some means of establishing a uniform form of adjustment. The association does not elect officers until fall.

Crum & Forster Appoints Two New Special Agents

Crum & Forster announces the appointment of H. J. Murphy as special agent in Ohio and C. H. Johnson as special agent in Minnesota, to assist State Agent F. J. Dorman.

Mr. Johnson is a graduate of the fire protection and engineering course of Armour Institute, Chicago, following which he was connected with the Underwriters Laboratories and for the past four years with the Iowa Insurance Service Bureau, Des Moines. He will have headquarters at 1406-7 Northwestern Bank Building, Minneapolis.

Mr. Murphy will work under the supervision of L. C. Dame and have headquarters at that state agency, 406 Citizens Bank building, Columbus, O. He has been associated with Crum & Forster in Eldorado, Ill., where he conducted a local agency for a number of years.

Nebraska Field Groups to Hold Meetings on June 26

The Nebraska Fire Underwriters Association will hold its annual meeting in Omaha the morning of June 26. Sterling Freeman, Agricultural manager, is president of the association.

The Nebraska Blue Goose will hold its summer party that day at the Happy Hollow Club. The affair will be staged and will begin with a noonday luncheon. The afternoon program includes golf, horseshoe pitching and other sports, with a dinner and entertainment in the evening.

A feature of the outing will be the grudge baseball game between the "fats" and the "leans." Willard Harding, captain of the "fats," is now in possession of the envied trophy. The leans are captained by George W. Owens.

The Nebraska Fire Prevention Association will hold its annual meeting following the Blue Goose luncheon.

O. A. Schollander Made Head of N. D. Fire Underwriters

O. A. Schollander, St. Paul F. & M., was elected president of the North Dakota Fire Underwriters Association at its annual meeting in Fargo. Other officers were: Vice-president, C. C. Bye, Northwestern F. & M.; secretary-treasurer, L. E. Zell, Hanover; executive committee, W. W. Ferguson, R. F. Thompson, Hartford Fire, and H. A. Presler, Springfield F. & M.

The North Dakota Fire Prevention Association elected the following: President, C. M. Page, London & Scottish; vice-president, W. F. Halverson, Niagara, and secretary-treasurer, H. A. Paulson, North America.

The annual outing of the Blue Goose will be held at Alexandria, Minn., June 19-20.

Kentucky Blue Goose Names Driscoll Head at Meeting

The Kentucky Blue Goose at the annual meeting in French Lick Springs, Ind., elected L. E. Driscoll, Norwich Union, most loyal gander, succeeding Maurice Collins, Automobile; C. P. Thurman, America Fore, supervisor; R. L. Meeks, Fidelity & Guaranty Fire, custodian; Marshall Mellor, Home of New York, guardian; R. K. Langan, Great American, welder, and I. J. Holmgren, America Fore, keeper.

The Kentucky Fire Underwriters As-

sociation in its semi-annual meeting had expected to hear a talk by C. F. Thomas, manager Western Underwriters Association, Chicago, but Mr. Thomas was unable to attend. H. W. Larue, America Fore Group, Chicago, talked briefly on the W. U. A. bulletin service. President C. E. Fieldhouse and Secretary E. A. Parsons reported, and R. E. Vernor, manager fire prevention department, Western Actuarial Bureau, spoke. He took Kentucky field men to task regarding the relatively few inspections made last year.

In his address Mr. Fieldhouse recommended appointing a scout committee which will seek members' cooperation

in lining up towns to inspect. He urged that latent talents of younger members be developed, and that each member prepare a ten-minute address and be prepared to give it at any time when called on by agents to address local organizations.

Michigan Blue Goose Card

The program is announced for the annual splash of the Michigan Blue Goose in Port Huron, June 17. The Michigan Fire Underwriters Association will hold forth there at the same time. Following the dinner G. H. Harrison, Western Adjustment, Detroit, most

loyal gander, will present the toastmaster, Raymond Waldron, vice-president Detroit F. & M. H. I. Newnan, vice-president of the Detroit Insurance Agency, will give a talk on "Old Times and Old Boys." Commissioner Ketcham will give a message and there will be a word from W. C. Howe, Wayne county manager of the Firemen's group. The final speaker will be C. P. Helliwell, New Brunswick, Milwaukee, grand welder of the Blue Goose.

Ohio Blue Goose Party

Nearly 150 attended the party given by the Ohio Blue Goose at the Scioto

**HOW TO FIGURE SOUNDNESS
OF AN INSURANCE COMPANY—**
*Assets ÷ Liability = amt. of assets
for each dollar of Liability.*
Example
 $\$2,719,259, \div \$6,123,674$
 $\$2.25$

* This example is based upon Millers National's financial statement as of December 31, 1935.

To demonstrate the financial soundness of any insurance company simply figure the ratio of assets to liabilities as shown above.

¶ Safety rests with every Millers National policy because each dollar of outstanding liability is backed by two and a quarter dollars of assets. ¶ Compare this ratio with ratios of other companies to denote the unusual soundness of this well-managed Company. It is an interesting comparison. Try it!

1865  1936

**MILLERS NATIONAL
INSURANCE COMPANY • CHICAGO**

Seventy-one Years of Service

CALEDONIAN INSURANCE COMPANY

The Oldest Scottish Insurance Office

GOOD faith to agents and policyholders at all times has been one of the fundamental policies of this company. It is exemplified by an honorable reputation, sound practices, sound underwriting and a sound financial policy.

Caledonian-American Insurance Co. of New York

Robert R. Clark
U. S. Manager and President

The Netherlands Insurance Co. of The Hague, Holland

Established 1845
Robert R. Clark, U. S. Manager

Executive Offices: Hartford, Conn.

NO SUBSTITUTE For Sound, "Reliable" Principles

Years of experience have convinced Reliable Fire Insurance Company that there is no equal to their sound business policies. The representatives of "Reliable" Insurance know they are representing a company with financial stability, a company that will make prompt payments of just claims . . . and a company that COOPERATES. In brief, "Reliable" is RELIABLE. For details, write

Wm. F. Kramer, Secretary.

An Independent Ohio Company with a Current Surplus to Policyholders of \$1,106,093.39.



Special Agents
for Ohio
Harry J. Favorite
R. E. Metzger

For Indiana
C. R. Dobbins
For West Virginia
Fred C. Campbell

Has New Duties



W. M. GOODWIN

State Agent W. M. Goodwin is being transferred by the Pearl from eastern Pennsylvania to Philadelphia. He will now be available for special work outside of the eastern Pennsylvania territory, more particularly for the solicitation of brokerage business on risks situated in eastern Pennsylvania but controlled by non-resident brokers for the benefit of agents domiciled in the territory in which the risk is located.

E. Roy Frey, executive special agent, will hereafter have full control of operations in eastern Pennsylvania with headquarters at 525 Chestnut street, Philadelphia. He will be assisted by Special Agent A. G. Glading, who continues to operate from the service offices at Bethlehem and Harrisburg.

Country Club, Columbus. K. J. Hoag, Fireman's Fund, won the golf cup. Prizes at bridge were won by Mrs. B. F. Flood, Mrs. W. A. Sawyer, Mrs. P. F. Brown, Mrs. D. P. Ely and Mrs. R. J. Gray. The longest drive at golf was made by R. C. Geiger, Western Adjustment, Dayton.

The Ohio Fire Underwriters Association will hold no meetings in July or August. At the summer meeting at Uniontown, Pa., June 24-26, there will be a short business session.

Hughes Heads Mississippi Pond

J. B. Hughes was elected most loyal gander of the Mississippi Blue Goose, at its joint meeting with the Louisiana pond at Biloxi, Miss.

J. E. Best With Ohio Farmers

John E. Best, formerly resident inspector of the Ohio Inspection Bureau at Marietta, has joined the Ohio Farmers at Columbus as special agent in the engineering and production department. He will serve as aid to Dwight P. Ely. Mr. Best is a graduate of Muskingum College.

Change in New Jersey Field

William Holmes, special agent of the Eagle Star & British Dominions in New Jersey, will henceforth concentrate his activities in the state north of Mercer county together with the New York suburban field. The southern division of New Jersey has been added to the territory supervised by Special Agent A. P. Lloyd in addition to Pennsylvania and other sections traveled for several years.

Transferred to Dallas

The America Fore group has transferred A. L. Parker, special agent at San Antonio, Tex., to Dallas as manager automobile and inland marine de-

partment in the southwestern department office. He is succeeded at San Antonio by Special Agent W. R. Smith, who has handled northeast Texas.

Plan Honolulu Puddle

At the June 8 meeting the San Francisco Blue Goose discussed plans for the formation of a Honolulu puddle, balloting on applicants who are to become members of the new Puddle.

F. W. Heron, for many years general agent of the Fidelity Mutual Life in San Francisco and now vice-president of the Colorado Life, discussed the works of Sir Walter Scott. S. H. Beckett, deputy insurance commissioner, presided.

NEW YORK NEWS

JOINS NATIONAL UNION FIRE

L. A. Cramer, formerly manager inland marine department of the Whitehill agency in New York City, has joined the National Union Fire as an underwriter in the inland marine department New York office. Mr. Cramer has been an underwriter for 15 years.

* * *

C. H. FALLOON IN U. S.

C. H. Falloon, general manager at the head office of the Atlas, is in New York visiting the United States headquarters. Last week E. M. Schoen of Chicago, western manager, made a trip to New York to visit Mr. Falloon.

* * *

BROKERAGE BILL VETOED

Although the measure amending the insurance law with the idea of professionalizing the brokerage business passed both houses of the legislature unanimously, it was vetoed without comment by Governor Lehman. The bill was endorsed by all brokers' associations in the state, and was unopposed by the department, hence the surprise felt by the fraternity at the position taken by the governor.

* * *

HOME OF NEW YORK OUTING

The employees of the Home of New York head office enjoyed an outing at Bear Mountain Park. There were various athletic events and there was a dinner in the evening, which was addressed by President Wilfred Kurth.

* * *

GEORGE LILLY TO ADDRESS POND

George W. Lilly, general manager Fire Companies Adjustment Bureau will be guest speaker June 17 at the annual meeting of New York City Blue Goose, the gathering being intended as a testimonial to loss adjusters.

* * *

WELCHMAN SUCCEEDS SPARKS

Edward G. Welchman has been elected president of the C. W. Sparks & Co. brokerage office in New York. He succeeds Mr. Sparks, who died last week. Mr. Welchman was formerly treasurer and secretary, which post is now held by W. D. Driscoll. D. R. Holmes and E. V. Treacy are vice-president and R. L. German, secretary.

After leaving the army Mr. Welchman joined Fred S. James & Co. in New York, where C. W. Sparks was secretary in charge of the metropolitan office. Subsequently Mr. Welchman became associated with Joseph Froggatt & Co., public accountants. In 1925 when Mr. Sparks acquired the firm of Newman & MacBain, changing the name to MacBain & Sparks, Mr. Welchman joined him. A year later the firm's name was changed again to C. W. Sparks & Co.

* * *

LIQUIDATION BUREAU LESS ACTIVE

The liquidation bureau of the New York department is making a determined effort to find employment for

more than 100 employees who must be let out shortly due to the fact that the volume of work is falling off rapidly. A good many of these employees were formerly connected with the companies that failed and have secured excellent experience. At the peak, the liquidation bureau had about 750 in its employ. Today there are something over 400.

* * *

HEAD OF RATHBONE & SONS DIES

C. H. Brown, head of the insurance brokerage firm of R. C. Rathbone & Sons, New York City, died at his home in Ridgewood, N. Y., at the age of 56. He had been connected with R. C. Rathbone & Sons for over 25 years and had been president for more than 10 years. His father was an officer of the old Williamsburg City Fire of Brooklyn.

Mr. Brown was a director of Devco & Reynolds Co., paint manufacturers.

* * *

INSURANCE ACCOUNTANTS' OUTING

Members of the Insurance Accountants Association had an outing at Indian Point on the Hudson river, June 9. They made the trip by boat. A baseball game between representatives of the American companies and those of the English companies was played.

CHICAGO NEWS

AETNA LIFE OUTING

Employees in the various Chicago offices of the Aetna Life companies enjoyed an outing Tuesday of this week at the Countryside Golf Club near Mundelein, Ill. Those attending were from the Aetna Life general agency, from the Aetna Casualty branch and from the Chicago and western marine departments of the Automobile.

* * *

HANSEN AND OLSON NAMED

Arnold G. Hansen has been appointed head underwriter in the fire department of the Chicago branch of the Aetna Casualty. G. A. Olson, who was an examiner in the western department of the Firemen's for about 10 years, has been made assistant underwriter. These appointments were made due to the fact that E. S. Strecker, formerly the head underwriter, died recently.

* * *

JAMES & CO. HOLDS OUTING

The annual championship golf party of Fred S. James & Co., was held at the Glen Oak Country Club at Glen Ellyn, Ill., with about 50 department managers, members of the firm and brokers attending. A full day's program had been arranged with golf matches in the afternoon and dinner in the evening.

* * *

J. V. PARKER NOW IN CHICAGO

J. V. Parker, manager of the Western Actuarial Bureau, who has been in Tampa most of the winter recovering from the effects of a stroke, has returned to Chicago, but is not able to resume work. He went from Florida to New Orleans by boat and from there returned to Chicago.

* * *

POCQUETTE ESTABLISHES OFFICE

F. J. Pocquette, recently appointed western field supervisor for the Meserole companies, has established headquarters in A-1526 Insurance Exchange, Chicago. He was formerly connected with the Northwestern National at Cincinnati.

* * *

WANT "EQUAL REPRESENTATION"

The Illinois Association of Insurance Brokers, at a special meeting in Chicago, adopted a resolution requesting that the brokers be given an equal voice with the companies and agents in the councils of the Chicago Board. About 300 attended the meeting. The resolution was presented by Tim E. Dunne of Homer Gwinn & Co. The memorial empowers the president of the brokers' group, R. M. Redmond of Lyman, Richie & Co., "to start negotiations with the Chicago Board for proper representation of the full time insurance broker, members of this association, on the board." The president was instructed to appoint a committee to negotiate. Mr. Redmond, who presided, said the brokers feel they are entitled to equal representation and that they should not be required to accept forms, rates of commissions and other conditions fixed by the board without having a voice in the matter.

* * *

WALTER SCOTT WITH HOME

Walter Scott has been added to the Chicago service department of the

Home under Manager T. K. Pfafflin. Previously he was connected with the R. B. Jones & Sons agency of Kansas City and before that with the Missouri Inspection Bureau. He is a graduate of Armour Institute of Technology. His father, now deceased, was for many years state agent of the Home with headquarters at Kansas City.

* * *

WESTERN LOSS TOURNAMENT

The Western Loss Association golf tournament is to be held at the River Forest Golf Club, River Forest, Ill., June 23. H. M. Ferrers, Springfield,

is chairman of the committee on arrangements.

J. W. Just of the fire prevention department of the Western Actuarial Bureau, Chicago, gave his demonstration, "Magic of Fire Prevention," before the two sessions of the Kansas Janitor-Engineer School at Wichita and Topeka.

* * *

J. M. Clark, New York Underwriters, captured the first prize at the golf outing of the Western Conference of Special Risk Underwriters. E. S. Miller, manager Illinois Audit Bureau, distributed the prizes at the dinner.

27 OFFICES

FOR Installation FOR Service FOR Emergencies

MEAN ACCESSIBILITY



There's A Grinnell Office
As Near As Your Telephone

Accessibility plays an important part in the choice of automatic fire protection.

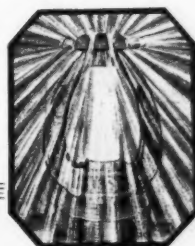
It places the others of Grinnell's Seven Standards within immediate reach. It is a necessary part of the responsibility Grinnell accepts, in protecting billions of dollars' worth of property from destruction by fire.

GRINNELL

Automatic Sprinkler FIRE PROTECTION

STANDARDS OF
SUPERIORITY

Research
Engineering
Diversification
Quality of Products
Installation
Responsibility
Accessibility



GRINNELL COMPANY
EXECUTIVE OFFICES PROVIDENCE, R. I.
Branch Offices in Principal Cities

EDITORIAL COMMENT

Creative Work in the Field

WHAT company executives really are demanding more and more in field work, both in casualty and fire insurance service is creative workmanship. There is a disposition on part of many field workers to take too much for granted, to assume that there is no further new business in a locality, that the agent is getting everything possible. The automobile has its advantages and yet it has a disadvantage in that the field man does not take much time in some of the smaller points where there is potential business to write. There are some field men who get acquainted with the other agents in a town where there are not too many, who visit in a friendly way the leading business people and thus form valuable contacts.

The agent himself may not be sufficiently creative or imaginative to see new business about him. He has clung very tenaciously to the hard and fast road without realizing that there are

many interesting by-paths. Fire and casualty companies are extending themselves, opening new markets, granting new kinds of coverage and giving people protection that they have not enjoyed before. It should be the function of the field man therefore to know what his company can write. He should be acquainted not only with the major lines but with the minor, so to speak. He should be sufficiently creative to picture a policyholder within his insurance frame. Therefore, when he suggests to the agent new avenues of approach and new markets he is rendering a great service and making himself of material value to the local office. The entire field of insurance is by no means all under cultivation. There is fallow ground, which merely awaits treatment. It should be the function of the field man to tell how soil unemployed can be utilized to good advantage by every one of the agents.

Retrospective Plan of Rating

THE best thought in the casualty business seems to favor very strongly the retrospective rating plan for workmen's compensation insurance. This has had a trial by a few companies. Those who have delved into the mechanics of the plan give it their hearty approval. It is proposed to be used in the case of larger risks or those producing \$5,000 in premiums or upward. Thus it is a scheme applicable largely to the bigger centers and the more important agencies.

To many it seems essential to the preservation of this class of business for the stock companies and their agents. In states where there is no rate regulation some of the companies and agents are already using this or a similar method to hold the business and give the policyholders a fairer deal. In states where rates are regulated, this plan would have to pass through considerable red tape to get adopted and might not be legal under the present statutes. There are many risks that have

passed into the self insurance category or they have been captured by non-stock companies. Therefore the stock companies and agents have seen some of this desirable compensation business pass from their books and they have been more or less helpless. The retrospective plan offers to the assured the opportunity of putting his rates on a lower level, provided the experience justifies it. It places in the hands of the policyholder the opportunity through safety methods and good care to reduce his compensation insurance cost. Then there are many risks that are more or less unprofitable that have been going off the books. The retrospective plan opens the way to solve this difficult problem.

The best informed men in the business, both on the company and agency side, do not hesitate to say that if this business is to be preserved there must be some temporary sacrifice. In the long run undoubtedly it will be to the profit of all hands.

One Cent Cancellation

THE idea of canceling regular fire policies by use of 1 cent postoffice receipt form rather than by registered letter is one that is being pondered by several executives today. The demand from the field for this privilege is rather insistent. The LONDON ASSURANCE, which is credited with being the first to use this means of cancellation in connection with the automobile policy and then extending its use

to the regular fire policy, has been stirring the issue and causing agents and company people to become more interested. The LONDON is now using this scheme in all states except IOWA where there is statutory provision that cancellation must be by registered mail.

The LONDON is using the scheme only in connection with cancellation for nonpayment of premium. It is not being used

where there is any return premium involved. Its use under those circumstances is not even advocated by the LONDON. Two or three companies have considered permitting cancellation by this method for nonpayment of premium where the liability does not exceed a certain amount, for instance \$5,000 or \$10,000.

The LONDON ASSURANCE takes the position that there is no perfect method of

cancellation. The registered mail method, according to the LONDON, has certain defects which the postoffice receipt method does not have.

Executives of some of the other companies have very strong convictions in opposition to the 1 cent cancellation.

So far the LONDON reports it has had no flare backs. It will be interesting to learn its experience as time goes on.

PERSONAL SIDE OF BUSINESS

Commissioner **Frank Yetka** of Minnesota, who suffered injuries in an automobile accident a few weeks ago, has not fully recovered and last week he entered the Mayo hospital in Rochester, Minn., for an examination.

Wade Patton of Hutchinson, secretary of the Kansas Association of Insurance Agents, is reported greatly improved from an illness which has confined him to hospital there and his home for the past month and is expected to return to his desk about June 15 for a few hours each day pending full recovery.

George McG. Goodridge, formerly special agent of the Stock Company Association, with Washington, D. C., headquarters, and widely known in Virginia fire insurance circles, is at his country home in Gloucester county, Va., recuperating from a recent operation he underwent at a Richmond hospital. For many years Mr. Goodridge supervised Virginia for the Fireman's Fund.

The **Sanborn Agency** of Galesburg, Ill., is this year completing 85 years of existence. Fred R. Hazlett, manager of the agency, became connected with the office 33 years ago. The agency has represented the Hartford Fire since 1856. This year it is showing an increase in premiums of from 5 to 10 percent above last year.

Vincent Cullen, president National Surety, and **J. C. Jay**, chairman executive committee of the Globe & Rutgers, were among those elected directors of the Lawyers Title Corporation, one of the companies formed by the superintendent of insurance when the title and mortgage guarantee companies were taken over by the department in 1933.

One of the finest private collections of original letters and documents from historic personages is that of **Ernest Sturm**, chairman of the America Fore group. It is now on display in the director's room of the companies. In the collection are handwritten letters from each of the presidents from Washington to Franklin Roosevelt, many generals of the Revolutionary army, signers of the declaration of independence, members of the Continental Congress, military and naval leaders in the war of 1812 and of the Civil War. There are original communications from Napoleon, Wellington, Nelson, Isabella, King Ferdinand of Spain, Henry VIII, Elizabeth, Charles I and George III of England; also from rulers of Russia, France and Prussia.

Mr. Sturm's hobby for book and rare letter collecting dates back to the days when as an employee of the loss division

of the Continental he began buying worth while offerings, adding to the number year after year, until today his private library contains about 4,000 volumes, many first editions and others with special bindings.

Norman Branch, superintendent of the city department of the New York Underwriters in San Francisco, has returned to his headquarters after a two weeks' trip by airplane to San Diego, New Orleans, Pensacola, Washington, D. C., and principal cities of the middle west as a lieutenant of the army reserve corps, in which he is attached to the finance department.

F. F. Alexander, San Francisco manager United Mutual Fire, and **W. E. Walker**, claims manager Liberty Mutual, accompanied by their wives are en route to Tahiti for a three weeks' visit.

W. A. Lester, 73, for many years a general agent at Providence, R. I., died. Mr. Lester was born in Danielson, Conn., and went to Providence at an early age to begin his insurance career with the Providence Washington. His son, William A. Lester, Jr., was associated with him in the business.

W. E. Mallalieu, general manager National Board, accompanied by Mrs. Mallalieu, attended the exercises at La Fayette College, Easton, Pa., from which their son, John T., was graduated.

H. P. Giberson, manager of the Westchester in Denver, who has been seriously ill, is reported better.

E. T. Ward, 73, for 41 years a director of the Firemen's of Newark, died at his home in Newark Sunday evening. He had been ill for about a year and had recently undergone an operation.

Rudolph W. Schimmel of Minneapolis, Minnesota state agent Fire Association group, died after an illness of several years. He was state agent for the fleet more than 20 years and was 68 years of age. M. Le Pitre, assistant manager western department Fire Association, Chicago, attended the funeral services Tuesday, representing the company. Mr. Schimmel was born in St. Peter, Minn., attended the University of Minnesota and then conducted a local agency at Superior, Wis., for several years. He went to Minneapolis in 1904. For some time he was Minnesota state agent of the old Germania Fire before going with the Fire Association. He was a member of the Life Members Society of the Fire Underwriters Association of the Northwest



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704.

E. J. WOHLGEMUTH, President
LEVERING CARTWRIGHT, Ass't Man. Editor

C. M. CARTWRIGHT, Managing Editor
Associate Editors: F. A. POST, C. D. SPENCER, D. R. SCHILLING

H. J. BURRIDGE, Vice-Pres.
Associate Managers: W. A. SCANLON, G. C. ROEDING, O. E. SCHWARTZ

CINCINNATI OFFICE — 420 E. Fourth St., Tel. Parkway 2140. Louis H. Martin, Mgr.; Curtis C. Crocker, Vice-President.

HARTFORD OFFICE — Room 502, 18 Asylum St., Telephone 7-1227. R. E. Richman, V. P.

DES MOINES OFFICE — 325 Insurance Exchange, Tel. 44417. R. J. Chapman, Res. Mgr.

NEW YORK OFFICE — 1200-123 William St., Tel. Beekman 2-3958. Editorial Dept. — G. A. Watson, Assoc. Ed., R. B. Mitchell, Asst. Ed. Business Dept. — N. V. Paul, Vice-Pres.; W. A. Spiker and J. T. Curtin, Resident Managers.

DALLAS OFFICE — 1218 Kirby Bldg., Tel. 2-4491. Fred B. Humphrey, Res. Mgr.

SAN FRANCISCO OFFICE — 607-S-9 Flatiron Bldg., Tel. KBarny 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

DETROIT OFFICE — 1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Res. Mgr.

PHILADELPHIA OFFICE — 1127 Fidelity-Philadelphia Bldg., Tel. Pen. 3706. W. J. Smyth, Res. Mgr.

ATLANTA, GA., OFFICE — Trust Company of Georgia Bldg., Tel. Walnut 5367. W. M. Christensen, Res. Mgr.

Subscription Price \$4.00 a year in United States and Canada. Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year. Entered as Second-class Matter April 35, 1931, at Post Office at Chicago, Ill., Under Act March 3, 1879.

and also of Pee-Quack-Osh-Tay-Gwon, organization of veteran fire field men. He was past president of the Minnesota Fire Underwriters Association and active in the Minnesota Fire Prevention Association.

Elliott M. Whitbread, a broker for the Lawton-Byrne-Bruner Agency, won the St. Louis district golf championship for 1936. He had previously won this title in 1930.

Mr. and Mrs. John H. Dickerson, Cincinnati, have announced the engagement of their daughter, Margaret Ruth, to Joseph R. Deckenbach, New Brunswick, N. J. The wedding will take place in the early fall, being quietly solemnized because of the illness of Mr. Dickerson, who is associated with his son-in-law, George Linn, in the Dickerson & Linn agency.

Stanley J. Risk, Muskegon, Mich., local agent, has been nominated by President Roosevelt for postmaster there. He has been active in political circles for years, having been a candidate for the Democratic congressional nomination at the last election.

E. G. Bohanan, 77, for many years a prominent figure in the fire insurance field in Nebraska, died Sunday at his home in Lincoln. He was a special agent of the Farmers & Merchants of Lincoln 40 years ago, and after it was sold helped organize the Columbia Fire of Omaha. When it was sold to the National of Hartford in 1911, he continued in the field for the latter. He also aided in organizing the Western Fire, later absorbed by an eastern company. In later years he headed the Columbia Fire Underwriters Agency and spent most of his time looking after investments.

June 1 was a big day for **James B. Irvine** of Sloan, Irvine & Sloan, local agents of Chattanooga, Tenn. It was his 15th anniversary of entering the insurance business in Chattanooga for himself, his wedding anniversary and the day that his son, James B. Irvine, Jr., graduated from the University of Chattanooga with honors.

Floyd S. Young, local agent at Shendoah, Ia., since 1929, was one of a class of 102 high school graduating students this year. Mr. Young, who 22 years ago was forced to give up high school, decided he wanted a high school education and a diploma as well. Being 39 and married and the father of three children, he decided to take his schooling quietly at home with none of the pupils at school aware he was technically their classmate. What took them four years, however, he finished in less than two years.

Just before leaving for Cleveland to be in charge of the Landon-for-President headquarters, **Charles F. Hobbs**, insurance commissioner of Kansas, announced his candidacy for reelection.

Mortensen Must Defend Action

The Dane county circuit court of Madison, Wis., has issued an order requiring Commissioner Mortensen to show cause why the licenses of the Northern of London and National Liberty should not be issued immediately. The case is before Judge Hoppmann. The Milwaukee law firm of Wolfe & Hart is representing the companies. The commissioner suspended the licenses of those companies for six months on the ground they had violated the Wisconsin statute by paying commissions to a non-resident agent on resident owned property. The policies in question covered Catholic church property and the commissions were paid to the Martin Brothers general agency of Omaha.

Judge Hoppmann has put over for one week the hearing to show cause. The delay was at the request of Commissioner Mortensen who is this week attending the insurance commissioners convention at St. Paul.

W. A. Sullivan for Uniformity in Law

(CONTINUED FROM PAGE 5)

these conferences, resolutions were adopted setting forth the view that such a practice was not in keeping with the best interests of supervision.

He expressed the belief that the function of examination is one of the most important performed by the insurance department and one which should be performed by men attached to the department, who are directly under the authority of the department, have the confidence of the commissioner and who have learned to respect the rules and ethics and the confidences which their duties require.

He contended that the present system of placing reliance upon the individual commissioner for the companies domiciled in his state with occasional recourse to conference examination if the need arise, is a practical and salutary method. The conference examination increases the facilities of most of the states which cannot maintain large, permanent staffs of examiners, he contended. It lightens the burden upon the companies, gives the commissioner of the domicile a new perspective regarding his own companies as well as the means for overcoming local political influences which frequently handicap proper action.

Taxation of Fraternal

During recent months, the courts of several states, he recalled, have held that premiums collected by fraternal are subject to premium tax upon the same basis as standard companies. Some courts have made the effect of their decisions retroactive. If these decisions are sustained by the supreme court, he declared, serious losses to fraternal are inevitable and may prove disastrous to some, because reserves have not been set up for this contingency. In view of the emergency, he said the association might undertake or authorize the development of some constructive program to avert or mitigate the hardship. "Sound fraternal insurance," he said, "fills a definite need in the United States and its protection and preservation is of paramount importance and interest to a vast number of our citizens."

Interlocking Directorates

Mr. Sullivan contended that through the device of interlocking directorates insurance institutions are tied to other types of enterprises in such manner as not to allow proper reflection of paramount policyholder interests. The interlocking directorate makes it easy to milk the assets of a company through "legal" means.

He also condemned the purchase and holding by insurance companies of large blocks of control stocks of other insurance companies or business corporations. This pyramiding type of operation, he said, threatens the "complete prostitution of the high ideals of insurance."

"It allows an individual or a small group of purposeful men," he charged, "whose actual investment and interest in the insurance company may be insignificant, to shape financial empires for themselves by and at the risk of the money of policyholders, and frequently to their certain disadvantage."

Managing Committee Meet

The managing committee of the Farm Underwriters Association is to have its annual meeting July 1 in Rockford, Ill., as guests of Robe Bird, western manager of the American. That committee will pass on action taken by the rates and forms committee next week at the summer place of Ira D. Goss, farm manager America Fore, on the Tippecanoe river in Indiana.

Judge Hoppmann said he had been advised that there was every indication that a settlement would be made in the meantime.

GULF INSURANCE COMPANY

Rated A+

Policy Holders' Surplus Over \$2,000,000.00

ATLANTIC INSURANCE COMPANY

Rated A+

Policy Holders' Surplus Over \$400,000.00

Offer Unexcelled Facilities in

Fire, Tornado, Automobile (including Liability), and Plate Glass

Address the Home Office

DALLAS, TEXAS

E. L. Flippen
President

G. G. Sheerin
Vice-President

T. R. Mansfield
V. P. and Sec.

NORTHERN INSURANCE COMPANY OF NEW YORK

EIGHTY-THREE MAIDEN LANE
NEW YORK

STATEMENT AS OF DECEMBER 31, 1935

ASSETS

Real Estate	\$ 32,669.65
Mortgage Loans	63,600.00
*Bonds	3,940,839.00
*Stocks	4,960,938.00
Premiums in Course of Collection (Not 90 days overdue).....	675,489.07
Interest Accrued	39,919.46
Cash on Deposit and in Office.....	927,884.84
Missouri Premiums Impounded.....	79,824.88
Reinsurance Recoverable on Paid Losses.....	3,897.18

†\$10,725,062.08

LIABILITIES

Unearned Premium Reserve.....	\$ 4,127,240.71
Unadjusted Losses	269,810.50
Reserve for Taxes and Other Claims.....	300,000.00
Missouri Impounded Premiums.....	77,583.16
Capital Stock	\$1,000,000.00
Net Surplus	4,950,427.71
†Surplus to Policyholders.....	5,950,427.71

\$10,725,062.08

*Valuations on basis approved by National Convention of Insurance Commissioners.

†On the basis of December 31, 1935, Market Quotations for all Bonds and Stocks owned, this Company's total admitted Assets would be increased to.....\$10,807,182.08 and Surplus to Policyholders.....\$ 6,032,547.71 Securities carried at \$66,090 in above statement are deposited as required by law.

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Has Report on Indianapolis

National Board Does Not Find Many Items to Criticize After Its Careful Investigation

The National Board in reporting on Indianapolis shows a loss of \$2,203,623 for the last five years, the annual loss per fire being \$450 and the loss per capita \$1.20.

The engineers say that the water supply works are adequate and reliable. There are sufficient quantities for engine supply available in the congested value district. The local distribution system, however, is weak in some residential sections. The fire department is strong. The fire alarm system is old, overloaded and inadequate.

The engineers say that in the congested value district, construction lacking in fire-resistive features makes serious group to block fires probable in most localities. Most of the streets are of good width and there are several open spaces in or on the boundary of the district. Some 41 percent of the occupied area is in fireproof construction or is sprinklered and so distributed as to form many local fire stops. The fire fighting facilities are mainly adequate, so that fires involving considerable portions of the district are not probable.

In the manufacturing and minor mercantile districts the hazard is local.

Reopen Columbus Fire Houses

A recount of the votes cast in the May election in Columbus, O., having shown that the 2.4 mill levy had passed, the plurality being 96 votes, arrangements are being made by city officials to reopen eight fire engine houses Sunday. All furloughed firemen and policemen are to be returned to their jobs. They were laid off several months ago because of a lack of funds. The city administration says that a levy of 2 mills may be adequate for the remainder of the year.

Missouri Code Agitation

Much political mystery surrounds the circulation of initiative petitions on a proposed new insurance code for Missouri. Superintendent O'Malley, who advocated a new code during the last session of the Missouri assembly only to meet defeat at the hands of fraternalists, has stated he is not interested in the initiative movement and has requested voters not to sign petitions. Fraternal leaders have also denied responsibility for the petitions.

Kansas Loss Higher

The Kansas fire loss for the first four months shows an increase of 53 percent over 1935 and a 77 percent increase in number of fires. The April loss, \$254,296, was 15 percent below 1935. The first three months showed 82 percent increase over last year. With heavy rains throughout Kansas in May breaking a serious drouth, it is expected that the May loss figures will also show improvement.

Lincoln Hail Officials on Trial

LINCOLN, NEB., June 10.—In the trial in federal court of W. R. Linch and C. A. Linch, former officers of the defunct Lincoln Hail, charged with using the mails to defraud, two office employees and R. H. Thorpe, sales agency director, testified that they had been instructed by the defendants to forge the names of former policyholders who had not paid premiums or who were

dead, to applications for insurance; that a policy would be written and mailed, after which Thorpe would go to their places of residence and mail in loss claims, which were paid by checks that were turned over to the Linches. Each of the three witnesses testified that the conspiracy was hatched by the defendants, and two of them admitted the forgeries of names.

Hail Adjustment Difficulties

OMAHA, June 10.—Adjusters have encountered difficulty in disposing of claims as a result of the recent severe hailstorm in Omaha. A good many assured have presented claims for damage to heating plants and to other goods and fixtures in basements, claiming that the basement windows were broken by hail, permitting water to enter in the subsequent rains. The adjusters feel that they are being imposed upon by such claimants. They say it is unlikely that basement windows, which are recessed, were damaged by hail. Some of the windows alleged to have been broken by hail, were located on the sheltered side of buildings.

Insurance Commissioner Smrha went to Omaha to confer with Mayor Butler regarding certain companies withholding payment of claims from the recent hail storm which caused estimated total of \$300,000 in crop and property damage.

Mr. Smrha said he had received a number of complaints that some companies were seeking to avoid paying claims. He said the number of companies so doing was "not more than one or two," and that most of the claimants were being satisfied.

In a public statement, Smrha advised claimants to leave their complaints with Mayor Butler who in turn will forward them to the department at Lincoln.

To date, approximately 10,000 claims were filed for payment of damages. A force of 30 adjusters is still on the ground.

Jenkins Agency Celebration

The Jenkins Brothers agency, Richmond, Ind., celebrated its 50th anniversary as agent of the Great American, and was honored by the company on the occasion.

Asks Electrical Inspection Law

State Fire Marshal Davis of Nebraska has asked all the 85 candidates for the legislature to consider favorably a state electrical inspection law. There is none now on the statute books, and Mr. Davis is especially concerned over the hazards that will result from uninspected construction on farms. Both the private power companies and government-financed public projects are engaged in wide construction of transmission lines to serve rural areas.

Taylor to Talk in Kansas

J. Burr Taylor, St. Louis, special representative fire prevention department Western Actuarial Bureau, will address meetings in Wichita and El Dorado, Kan., June 16. El Dorado will be inspected that day by the Kansas Fire Prevention Association.

Beazley Wichita Speaker

WICHITA, June 10.—F. C. Beazley, Kansas state agent Phoenix of Hartford, addressed the Wichita Insurors, giving an explanation of the various types of mutual companies and offering helpful suggestions for meeting competition. H. A. Blinn, Wheeler, Kelly, Hagney Agency, was in charge of the program.

In lieu of the regular meeting June

19, the Wichita board will hold its annual outing for employees, families and guests at Sunnyside Springs, 15 miles north of Wichita. Duane T. Stover, Lee Webb and Howard Snyder are again in charge of arrangements.

Clyde Latchum Resigns

Clyde Latchum, for several years chief of the fire division of the Kansas department of inspections and registrations, handling the work formerly devolving on the state fire marshal, has resigned and is returning to Kansas City, where he is a candidate for register of deeds of Wyandotte county.

Former Chief Clerk Sentenced

LANSING, MICH., June 10.—A. D. Cline, former chief clerk of the Michigan department, was sentenced to 15 months to 10 years in the Jackson state prison. He admitted peculations over a three-year period amounting to some \$1,600, most of which was embezzled since he was advanced to chief clerk about a year ago.

Controversy in Toledo

The Toledo board of education held a spirited session on the matter of its insurance. Until recently the business has been divided among members of the Toledo Association of Insurance Agents. Now a large part of the line, \$750,000, has been placed with the Edward P. Hylant agency.

Two school board members, at the meeting, proposed that the insurance be turned over to the mutual companies, but this plan was rejected. Two other members expressed resentment at the action of the Toledo agents association and John C. Taylor, a board member, contended that certain statements of the Toledo association were libelous.

Golf Outing in Springfield

About 125 insurance people turned out for the annual golf tournament and banquet of the Springfield Board of Fire & Casualty Underwriters at Springfield, Ill. Golf prizes were distributed after the dinner by N. C. McVay of the Lanphier agency of Springfield, he being chairman of the golf committee. Henry Capen of Bloomington, Ill., won the prize for low net. Among the Chicagoans attending were W. H. Riker, western fire manager of the North America, C. D. Lasher, general manager of the Home, W. H. Hansmann, vice-president Fidelity & Deposit, and G. H. Moloney, vice-president Hartford Accident.

H. W. King of Jacksonville won the prize for low gross. Other prize winners included Joe Booth of Springfield, J. C. Burt of Chicago, S. A. Tomlinson, Indianapolis, E. A. Schumacher, Decatur, J. C. Lanphier, III, Springfield, Roger Simpson, Chicago, L. W. Zonsius, Chicago, and Mr. Riker.

Honored for Long Service

Mrs. Eva F. Patterson, Newton, Kan., local agent, has received a bronze plaque from the Phoenix of Hartford in recognition of 43 years of continuous representation. Mrs. Patterson has personally conducted the agency for 22 years since the death of Mr. Patterson.

Mense Agency Has Opening

The Mense Brothers Agency of Hamilton, O., has moved into new quarters at 418 Second National Bank building. At the formal opening hundreds of well wishers visited his new offices, among them being a number of special agents

Named President of the Minnesota Association



S. C. ALDRIDGE

S. C. Aldridge, newly elected president of the Minnesota Association of Insurance Agents, began his insurance career in Chicago in 1920 as field man for the London Guarantee & Accident. Later he went to Grand Rapids, Mich., where he bought the Kennedy, Morris, Ames Co. general agency, which he operated until 1926. He then moved to St. Paul and purchased the Ramsey County Insurance Agency, which he has since conducted, now being president and treasurer. Mr. Aldridge is also president Insurance Exchange of St. Paul and during the past year served as chairman executive committee of the Minnesota association.

and S. M. Buck of Chicago, western manager of the Fireman's Fund.

Kansas Mutual Officials Die

Ward J. Spencer, 71, president Farmers Union Fire of Salina, Kan., died in a Salina hospital of heart disease.

C. J. Olson, 71, for 40 years secretary and general manager of the Kansas Farmers Mutual of Upland, Kan., died at his home there.

New Rate Books in Illinois

Rate books were published by the Illinois Inspection Bureau during May for: Bradley (card tariff); Bushnell (8th class to 7th class); Cissna Park, Crystal Lake, East Dubuque, Edelstein, Kirkland, Lee (8th class to 9th class); Milford, Taylorville.

Valparaiso Outing Starts

The annual outing of the Valparaiso, Ind., board of underwriters is being held Thursday of this week at the Valparaiso Country Club. A good many arrived Wednesday evening and were guests of Bill Fraser at the Blackhawk Beach hotel.

Middle West Notes

The firm name of Hughes-Roy-Stone, 418 Olive street, St. Louis, has been changed to Hughes-Roy-Donnelly.

The Protzmann Company has been advanced from Class 2 to Class 1 by the Fire Underwriters Association of St. Louis.

The Vasan & Bartelt agency of Quincy, Ill., has received from the Fireman's Fund a certificate in recognition of more than 50 years of representation. The firm was established in 1875 as Morton & Nichols. It is now operated by M. E. Vasan and G. F. Bartelt.



"IS MY FACE RED?"

It should be . . . I've worked my head off . . . long hours, steady plugging. But I don't seem to be able to ring the bell . . . I've worked up a lot of good prospects, only to have them slip through my fingers. I haven't seemed to do what I should with some lines . . . The other day I wrote for the booklet, "Planned Progress*"—and is my face red? . . . This is a booklet I've seen advertised for over a year, and never bothered to write for it. But it has showed me exactly what I needed . . . It showed me that I needed a plan to cut out hit-or-miss methods of selling insurance . . . to make sure—with the thousand and one distractions I have—that I don't forget some of the things I need to do . . . And it offered me a plan—tailor-made—to fit me and my agency. I'm sold on the idea. It makes me feel that I haven't enough companies unless I represent either the Boston or the Old Colony . . . Are they strong? Wait until you read their financial statements . . . They write the many lines needed today . . . Their field men know their stuff. They are always on the job and they always leave ideas . . . Their Sales Promotion Department is practical and quick to help agents increase their premium income . . . It's quite a plan the booklet describes—rather different from what you'd expect. I'm for it . . . I know it's what I've needed . . . I think that you'd be interested in "Planned Progress," too. Why not use the coupon?

BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
Desk E 87 Kilby Street, Boston, Mass.
Send me the booklet, "Planned Progress*", which describes a plan—tailor-made—to fit me and my agency. I understand I may keep the booklet without charge and without obligation.

Name.....

Address.....

D. F. Broderick
Pres.

L. G. Goodrich
V. P.-Treas.

C. M. Verbiest
V. P.-Secy.

D. F. BRODERICK
INCORPORATED

INSURANCE EXCLUSIVELY

DETROIT NEW YORK
CHICAGO SAN FRANCISCO

MARINE INSURANCE NEWS

Application as Part of Policy

Inland Marine People Are Interested in What Reaction of Buyer Will Be to New Regulation

Inland marine experts are much interested in what the reaction of buyers will prove to be as a result of the new Inland Marine Underwriters Association regulation, effective July 1, that the application for the personal property floater must be made a part of the policy. Some observers feel that it is likely to deter sales.

The regulation was made for the moral effect. In the past, a good many agents and brokers, instead of laboriously checking values with an assured, caused the assured to sign an application in blank and then the broker or agent filled in the amounts under the various items. Inasmuch as the amount entered opposite the various items is not a limit of liability for loss or damage

to those particular items, the producers have been rather careless in making the entries.

The I. M. U. A. people apparently felt that by making the application a part of the policy with the amounts set down opposite the different classifications, the assured and agents would be more likely to prepare the application more thoughtfully. There is a statement in the application that the company will not issue a policy for less than 80 percent of the value, but this is not a coinsurance clause and really has no effect.

The I. M. U. A. people have explained to those who have brought up the subject that making the application a part of the policy really has no significance. However, there are some who feel that the prospect may be inhibited from purchasing when he finds that so much information must be given in the application and he may feel that he may be penalized in some way for a mistake in estimating values under the various items.

IN THE SOUTHERN STATES

Hartford Changes in South

To Open Dallas Office with Woolford in Charge—Whitner, Ledbetter Now Associate General Agents

General Agent W. R. Prescott of the southern department of the Hartford in Atlanta announces important changes in his staff.

C. S. Whitner and J. H. Ledbetter, formerly assistant general agents, have been promoted to associate general agents.

C. A. Woolford, Jr., assistant general agent, will hereafter devote his entire time to the Texas field and in due course will return to his old home in Dallas to supervise the business in that state and be in charge of the service office which will be opened there.

Stockton Is Advanced

Manley Stockton, superintendent of the marine and hail departments, is promoted to assistant general agent and will render broader service to agents in addition to caring for his present duties.

D. T. Hubbard, superintendent of the special risk department, is appointed agency superintendent and his work in the future will be of a more general character.

S. W. Milner, field representative in western Georgia, is transferred as special agent to Atlanta to assist Mr. Hubbard.

C. H. Lippold, who has been an examiner for Georgia, becomes special agent in western Georgia with headquarters in Atlanta.

A. A. Orreder, manager of the farm department, will hereafter supervise the surveying agency department, as well.

T. S. Prescott, formerly special agent in Virginia, is made agency superintendent with headquarters in Atlanta and will have charge of Virginia and South Carolina.

Read Would Either Abolish Boards or His Department

OKLAHOMA CITY, June 10.—Commissioner Read has proposed the abolition of the state insurance board and the Oklahoma fraternal insurance board, or the insurance department, because of "conflict of authority, duplication of work and needless waste of energy." Another reason cited by the commissioner for the change is so that responsibility could be definitely placed for their various activities, and elimina-

tion of considerable work. Although the commissioner has never sponsored an active movement to this effect, he has felt for some time that such a move would considerably simplify handling insurance matters in the state.

Kentucky Court's Reasoning

Finds That Term Plan Used by General of Seattle Is Not Discriminatory

In validating the use by the General of Seattle of its special term plan, the Kentucky court of appeals states that neither the rules and regulations of the Kentucky Actuarial Bureau nor any provision of any section of the statute either prohibits or requires the payment in advance, in cash or by instalment notes or otherwise, the premiums at the rates fixed by the rating bureau for term insurance.

The term plan of the General provides for payment of the full annual premium for the first year with renewal at the end of that time for a four-year period upon payment of 75 percent of the annual rates during each of the next four years. The insurance commissioner who instituted the action, contended that the General's plan, when compared with the term policy of all other companies, constitutes unfair discrimination, rebating and violates most of the statutes governing fire insurance companies.

Acme of Term Insurance

The court contended that such a view was erroneous since it assumes that the instalment note form of policies is the acme of term insurance and that any other plan embodies unfair discrimination, rebating, etc.

Neither the rules of the actuarial bureau nor the statute require the payment in cash of the premium for the first year of the term and those for the other years of the term, to be evidenced by instalment notes or that the premium shall, or shall not, be evidenced by an option binding on the companies to accept the first year premium in cash and those thereafter payable according to the rates fixed by the bureau at the option of the insured.

The regulations of the bureau and the statutes are silent, according to the court, as to the method any insurer may adopt respecting how the insured shall be obligated to pay the premiums for term insurance stipulated or provided for in its policy.

The regulations and statutes leave the assured free to pay cash or execute in-



Many men
have devoted
their lives
to making
this company
one an agent
can be proud
to represent.

**THE PHOENIX
INSURANCE
COMPANY**

of

Hartford, Conn.

Cash Capital . . . \$6,000,000.00

Net Surplus . . . 24,839,324.64

Assets 41,432,562.20

Time Tried and Fire Tested
since 1854

stalment notes for the whole or part of the premium for a term policy, or if he can arrange so to do with the insurance company, exercise an option as to their payment. The court observed that the assured has a potent reason for renewing his insurance under the term plan and exercising his option, because he is enjoying a 25 percent rate advantage.

Ask Oil Drilling Rate Data

OKLAHOMA CITY, June 10.—The Oklahoma insurance board has instructed Mott Keys, rate expert, to obtain all pertinent data and information which might have any bearing on the question of fire insurance rates on property located in the oil drilling zone of Oklahoma City, and report his findings to the board as soon as possible. The action was taken to determine whether the present fire insurance rate is justified and reasonable.

The Oklahoma Inspection Bureau is preparing to modify the exposure rate table to apply to this portion of the city, according to C. T. Ingalls, manager.

Arkansas Fire Loss Figures

Arkansas fire losses in May showed an encouraging downward trend, H. B. Savage of the Arkansas Fire Prevention Bureau, said. May losses were \$80,125, far below the average for the first four months of the year, but brought the 1936 total to \$1,550,743, as compared with \$1,390,913 in 1935. The number of fires is 216 greater than last year.

Penalty Is Reduced

The penalty for bad fire record in Henderson, Tex., insurance premiums has been reduced from 15 percent to 10 percent, retroactive to March 1.

Sellers Joins Dallas Agency

T. G. Sellers of the Griswold-Sellers Adjustment Company of San Antonio, Tex., has resigned to become special agent for southwest Texas of the T. A. Manning & Sons general agency at Dallas. He succeeds Thomas Holleran, who resigned to go with the Standard of New York and Tokio. The Griswold-

Named President



LOUIS ROSEN

Louis Rosen, Little Rock, Ark., was elected president of the Arkansas Association of Insurance Agents at its annual meeting in Little Rock. He has been chairman of the executive committee. He also served as vice-president last year and is now president of the Little Rock Insurance Exchange.

Mr. Rosen entered the business 15 years ago with the National Surety, later going with Hardy & Co. In 1932 he entered the office of Anderson & Co., and in 1934, with Blake Williams formed the Williams & Rosen Co.

Sellers Adjustment Company will be continued as the Griswold Adjustment Company.

Ingalls Addresses Firemen

At the annual meeting of the Oklahoma State Firemen's Association in Enid, C. T. Ingalls, manager Oklahoma Inspection Bureau, said fire departments throughout the state have shown marvelous improvement in the last five years, and that fires have been mate-

rially reduced. He said fire insurance rates have been reduced, largely due to improvement in the fire companies' personnel, reduced loss, and in some cases to luck. He pointed to the experience of companies in the oil fields, which has been most favorable. Other speakers included Fire Marshal Theimer and Attorney-general Williamson.

Mississippi Speakers Announced

The National Association of Insurance Agents will be represented at the annual meeting of the Mississippi Association of Insurance Agents at Greenville, Miss., June 26-27, by Hamilton C. Arnall, Newnan, Ga., chairman Southern Agents Conference.

Commissioner Williams will speak to the agents, as will Lloyd Wheeler of the Mississippi State Rating Bureau. Elaborate plans for entertainment are being made. This is the first time in its 30 years' existence that the Mississippi association has met in the delta district.

Form Young Men's Group

SAN ANTONIO, TEX., June 10.—A Young Men's Insurance Association has been organized here to promote the common interests of young men engaged in insurance work, secure more information on the different types of insurance, and improve sales and service methods. At a luncheon meeting F. F. Ludolph, secretary San Antonio Insurance Exchange, traced briefly the advantages of the local, state and national agents' organizations.

Officers are: Philip McGuire, N. H. White Company, chairman; Marvin

Watson, W. O. Watson & Co., vice-chairman; J. A. Wahrmond, Beery, Wahrmond & Co., secretary, and Howard Padgett, F. F. Ludolph & Co., treasurer.

Cancel on Fruit Packing Sheds

MERCEDES, TEX., June 10.—Following the 13th disastrous packing shed fire in Hidalgo county, several fire companies have canceled policies and others notified agents not to write new policies on vegetable and fruit packing sheds in the county, stating that one additional fire loss would necessitate cancellation of all policies in the county.

The interior of the A. C. Cope packing shed, scene of the most recent loss, was saturated with kerosene by firebugs.

To Honor Past Presidents

Emulating a practice followed by the National Association of Insurance Agents, the Georgia association at its annual meeting in Albany has decided to hold a past presidents' dinner the night of June 25.

Little Rock Agent Dies

F. S. Stephens, 43, died suddenly at his home in Little Rock, Ark., as the result of a heart attack. He had been in the insurance business 25 years. He formerly was with the Union Trust Company and later was manager of the insurance department of the Exchange Trust Company. Since April he had been with A. J. Heyden & Co.

The Implement Dealers Mutual Fire of Grand Forks, N. D., has entered Alabama, with W. J. Perryman of Birmingham as state agent.

PACIFIC COAST AND MOUNTAIN

Set Colorado Meeting Date

Annual Convention of State Agents Association to Be Held in Denver, Sept. 11-12

COLORADO SPRINGS, June 10.—Directors of the Colorado Association of Insurance Agents set the annual convention and election of officers at Denver, Sept. 11-12. The group met here in discussion of problems to be presented before the supervisory committee of the Rocky Mountain Fire Underwriters Association in Denver this week.

Among questions to be submitted was that of diverting more of the large chain store and big corporation business to local agents. The association hopes to work out some method of keeping that business within the state.

Study Qualification Law

President Frank England, Jr., has been working with Harold Van Gilder in compilation of an agent's qualification law, making several necessary minor changes. The problem is to get the proposed measure through the next session of the legislature. Following the Wyoming law the proposed measure requires that companies desiring more than one agent in a town must pay \$100 license fee. This is the only feature the Colorado group has definitely decided to incorporate in its proposal, Mr. Van Gilder said.

The supplemental contract which local agents do not believe fits this territory was a problem the directors decided should go before the managing committee of the Mountain States Inspection Bureau. This group is in session at the same time as the supervisory committee, being practically the same in membership.

Costs Held Excessive

Costs are excessive in the present supplemental contract for this territory, agents believe. Directors attending in addition to Mr. England were: Arthur Miller, Denver, and Daniel Hampton,

Frank Cotton, Floyd Padgett, Reeve Burton and Myron Collins, all of Colorado Springs.

Joins Swett & Crawford

W. J. Shoemaker of Los Angeles has been appointed special agent of the fire department of Swett & Crawford for southern California. He has been in the field for the John D. Boyle general agency for the past six years. He entered the business in 1925 with Edward Brown & Sons at San Francisco, later going with the Scottish Union & National. He moved to Los Angeles in 1928 and for two years was a field man for the former H. R. Mann & Co. general agency.

Field Men at Bellingham

BELLINGHAM, WASH., June 10.—The meeting here of the Whatcom County Insurance Association with 18 field men in attendance, was sponsored by the western Washington division of the Special Agents Association of the Pacific Northwest.

Included in the group were Wendell Bonesteel, Hartford Accident, who explained the new standard automobile form; W. M. Thomson, Washington Insurance Examiners Bureau; R. P. Cunningham, George Rourke general

SIMPLIFY YOUR PREMIUM FINANCING

THE 21 PLAN

Write for details and address of nearest office

THE 21 PLAN, 216 W. Jeff., So. Bend, Ind.

Reduce Insurance Rates

Recommend JUSTRITE OILY WASTE AND SAFETY CANS

Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co. JUSTRITE MANUFACTURING COMPANY 307 SOUTHPORT AVE CHICAGO, ILL.

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE

ASSURANCE

CAR and GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

111 John Street

NEW YORK

National Inspection Company

Incorporated 1903

This corporation reports on the underwriting aspects of heavy manufacturing and mercantile properties throughout the following states:

Michigan
Wisconsin
Minnesota
Ohio

Indiana
Illinois
Iowa
Nebraska
Missouri

Kansas
Kentucky
Tennessee
Oklahoma
West Virginia

Managed by

J. G. Hubbell

H. B. Chrissinger
176 West Adams St., Chicago, Ill.

R. L. Thiele

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

**BRADLEY, BALDWIN,
ALL & WHITE**
21st Floor Comer Building
Birmingham, Alabama

**LAW OFFICES OF
Coleman, Spain, Stewart
& Davies**
706 to 719 Massey Building
Insurance Attorney
Birmingham, Alabama

HENRY C. MEADER
First National Bank Bldg.
Montgomery, Ala.
Equipped for Investigations and Adjustments,
Settlement of Claims, Trial of all Insurance
Cases in State and Federal Courts in Cen-
tral and Southern Alabama.

ARKANSAS

WARNER & WARNER
Merchants Bank Bldg.
Fort Smith, Arkansas
Representing U. S. F. & G. Co.; Standard Acc.
Ins. Co.; American Surety Co.; Continental Cas-
ualty Co.
Equipped for investigation, adjustments and settle-
ment of all claims. Trial of all cases in State and
Federal courts in western Arkansas.

**COCKRILL, ARMISTEAD
& RECTOR**
Southern Building
Little Rock, Ark.
Representing the Travelers Ins. Co., Employers
Group, Boston, Continental Cas. Co., Chicago.
Equipped for investigations, adjustments and settle-
ment of all claims. Trial of all cases in State and
Federal Courts.

ARIZONA

**FRED C. STRUCKMEYER
Associates**
J. Bolivar Sumter
James E. Flynn
209 Luhrs Building
Phoenix, Ariz.

Sloan, McKesson & Scott
Phoenix, Arizona
Representing Globe Indemnity Co., Royal Ind. Co.,
Eagle Ind. Co., Hartford Acc. & Ind. Co., Fire
Companies' Adjustment Bureau, Inc.
Trial all line of insurance cases State and Federal
Courts.

Francis D. Crable
Suite 17, Union Block
Prescott, Arizona
Representing New York Casualty Co., Travelers, and
others.
Trial of cases in State and Federal Courts.
Equipped for investigations, adjustments and settle-
ments of all insurance claims.

FREDERIC G. NAVE
512 Valley National Bldg.
Tucson, Arizona
Aetna Group, American Auto., Connecticut
Indemnity, Fidelity & Casualty, The Massa-
chusetts Bonding, The Travelers and other
leading companies.
General Insurance Practice

CALIFORNIA

**EVERTS, EWING, WILD &
EVERTS**
801 Griffith-McKenzie Bldg.
Fresno, Cal.
Equipped for Investigation, Adjustments,
Trials and Settlement of all Claims.

Preston D. Richards
650 South Spring Street
Los Angeles, California
Former General Counsel Union Automobile
Insurance Company.
Trial of all Insurance Cases in State and
Federal Courts.

HERBERT W. KIDD
735 I. N. Van Nuys Building
LOS ANGELES
Eugene S. Ives Victor C. Rose
Fred Aberle John S. Bolton
Benjamin S. Parks
Equipped Investigations, Adjustments.
Trial All Cases.
Cable Address—Herkel

**MESERVE, MUMPER,
HUGHES & ROBERTSON**
555 So. Flower Street
Los Angeles, California

**WILLIAMSON, RAMSAY &
HOGE**
Title Insurance Building
433 S. Spring Street
Los Angeles, California

F. M. OSTRANDER
Bank of America Bldg.,
Merced, Calif.
Companies represented:
Home Ind.
American Auto Ins.
Hartford Acc. & many others.
Investigations, Adjustments, Settlements
Insurance Claims

Dunn, White & Aiken
Sixth Floor, Syndicate Bldg.
Oakland, California

Hugh A. Sanders Y. A. Jacques
SANDERS & JACQUES
929 Bank of America Bldg.
San Diego, California
Fidelity & Cas. Co. of N. Y., Ocean Acc. & Guar.
Co. Trial of All Insurance Cases in State and
Federal Courts.
Equipped for investigation and adjustments in
surrounding territory.

**HADSELL, SWEET, INGALLS
& LAMB**
Financial Center Building
San Francisco, California
Insurance defense—Fire, Life, Casualty and
Surety lines.

KEYES & ERSKINE
Herbert W. Erskine William A. White
Morse Erskine J. Benton Tulley
625 Market Street
San Francisco, California
General Counsel Pacific National Fire Ins.
Co. Trial of insurance cases in State and
Federal courts.

CALIFORNIA (Cont.)

JOHN J. TAHENY
Hobart Building
San Francisco, California
Representing Associated Indemnity Corp.,
General Reinsurance Corp., and others.
Former vice-president and general counsel of Asso-
ciated Indemnity Corp., and Associated Fire &
Marine Ins. Co., San Francisco.

REA, FREE & JACKA
804 Commercial Building
San Jose, California
Representing Fidelity & Cas. of N. Y.
London & Lancashire
Trial of all insurance cases in state and federal
courts in this district. Equipped for in-
vestigations, adjustments and settlement of
all claims.

CONNECTICUT
**BUTLER, HOWARD &
CAMPBELL**
75 Pearl St.
Hartford, Conn.
Representing Firemen's Fund of San Francisco,
United States Guarantee and others.
Equipped to handle investigations and settle claims.
Trial of all insurance cases in Federal and State
courts.

**POND, MORGAN AND
MORSE**
39 Church Street
New Haven, Connecticut
United States Fidelity & Guaranty
Fidelity & Casualty
General Accident and many others.

DELAWARE
**MARVEL, MORFORD, WARD
& LOGAN**
Delaware Trust Building
Wilmington, Delaware
Specializing in Insurance and Corporation
matters.

DIST. OF COLUMBIA

HUGH M. FRAMPTON
327 Southern Building
Washington, D. C.
Manufacturers Casualty Ins. Co.
Equipped for investigations, adjustments, settle-
ment of claims, trial of all insurance cases
all insurance cases, Maryland, District of Columbia
and Federal Courts.

GEORGIA
**ALSTON, ALSTON, FOSTER
& MOISE**
1219 Citizens & Southern Natl. Bank Bldg.
Atlanta, Georgia
Equipped for investigations, adjustments, set-
tlement of claims, trial of all insurance cases
State and Federal courts, Western Georgia.

Bryan, Middlebrooks & Carter
LAW OFFICES
Suite 924
Citizens & Southern National Bank Building
Shepard Bryan Bonneau Ansley
Greer Middlebrooks John A. Dunaway
Chauncey Middlebrooks W. H. Neek
W. Colquitt Carter Vantia C. Mitchell
ATLANTA, GEORGIA

Hitch, Denmark & Lovett
17 Drayton Street
Savannah, Georgia
Representing American Surety Co. of N. Y., New
York Cas. Co., Continental Cas. Co., National Surety
Corp., and numerous others.
Equipped for investigations, adjustments, settlement
of claims, and trial of all insurance cases in State
and Federal Courts in Southern District of Georgia.

ILLINOIS

Silber, Clausen, Hirsh & Woley
Attorney & Counselors
208 South La Salle Street
CHICAGO
Special Attention to the Law of
Fire Insurance and Taxation

LORD, LLOYD & BISSELL
Rm. 2460—135 South La Salle Street
Chicago, Illinois
Insurance defense—Casualty, Surety, Life &
Fire Lines.

CLARENCE W. HEYL
8th Floor Central National Bank Bldg.
Peoria, Illinois
Trial of Insurance cases; representing
MARYLAND, FIDELITY & CASUALTY
ROYAL, GLOBE, EAGLE, BANKERS
INDEMNITY AND OTHERS.

JOHN M. MITCHEM
101 South Broadway
Urbana, Illinois
OHIO CASUALTY
Equipped for investigation and adjustment of
claims.

INDIANA

Slaymaker, Merrell & Locke
Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-760 Consolidated Building
INDIANAPOLIS

IOWA

**DEACON, SARGENT &
SPANGLER**
915 Merchants Bank Bldg.
Cedar Rapids, Iowa
Equipped for Investigations, Adjustments and
Trial of All Insurance Cases

**BRADSHAW, FOWLER,
PROCTOR & FAIRGRAVE**
Suite 510 Crocker Building
Des Moines, Iowa
Representing Continental Casualty—Loyalty Group—
Hartford Accident and many others.
Equipped for investigations and adjustments of Insur-
ance Claims.

Jepson, Struble and Sifford
736 Francis Building
Sioux City, Iowa
Representing Standard Accident, Continental Cas-
ualty & Maryland Casualty.
Equipped for investigations, adjustments, trial of all
Insurance cases in all courts in Northwestern Iowa.

KANSAS

**TINCHER, RALEIGH &
CUSHENBERY**
301-302 First National Bank Building
Hutchinson, Kansas
Insurance Companies represented: National Union
Indemnity Co., Ocean Accident and Indemnity Co.,
Columbia Casualty Co., Metropolitan Casualty Ins.
Co. (Loyalty Group), Commercial Casualty Co.
Investigations, Adjustment and defense trial work.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

KANSAS (Cont.)

KELLER, MALCOLM & BURNETT

204-206 National Bank Building
Pittsburg, Kansas
Counsel for: Aetna Group, Employers Group, Standard and Accident, Central Surety, United States Fire, Fireman's Fund and others.
Specializing in Insurance Law. Equipped for Trial of Cases, Investigations and Adjustments over Southwestern Kansas.

NORRIS, SMITH & JENKINS

Public Utility Bldg.
Salina, Kansas
Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others.
Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

Doran, Kline, Colmery, Cosgrove

906 National Bank of Topeka Bldg.
Topeka, Kansas
Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

BLOOD & PROSSER

402 Schweiler Building
Wichita, Kansas
General Counsel Santa Fe Trail System, Traders & General, American Fidelity and others. Investigations, adjustment of claims, and trial work Southern and Southwestern Kansas.

KENTUCKY

Davis, Boehl, Viser and Marcus

(Blakey, Davis and Lewis)
Kentucky Home Life Building
Louisville, Kentucky
Investigations, Adjustments and Trial of all Insurance Cases.

Woodward, Dawson & Hobson

Insurance Attorneys
615-24 Inter-Southern Bldg.
Louisville, Kentucky

LOUISIANA

COBB & JONES

840 Canal Bank Building
New Orleans, La.
General Counsel for Pan-American Petroleum & Transport Company and Penick & Ford, Inc., in southern states. Specializing in casualty and surety. Trial of all cases in State and Federal courts.

MARYLAND

WALTER L. CLARK

Roszel C. Thomsen
Clater W. Smith
Baltimore Trust Building
BALTIMORE - MARYLAND

Law Offices

ROBERT H. MCCAULEY

203-205 Second National Bank Bldg.
Hagerstown, Maryland

MASSACHUSETTS

CRYAN, SHAW AND BRADLEY

33 Broad Street
Boston, Massachusetts
Counsel for numerous insurance companies. Names given on request. Equipped for investigation, adjustment and trial of all insurance cases in State and Federal Court.

MASS. (Cont.)

THIBODEAU, YONT & MARTIN

Park Square Building, Boston, Mass.
Investigations, adjustments and trial of Liability insurance cases in Eastern Massachusetts.

MILTON J. DONOVAN

31 Elm Street
Springfield, Massachusetts
Fire Companies Adjustment Bureau, Inc.
Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

GURDON W. GORDON

Suite 539, 540, 541 Court Square Bldg.
Springfield, Mass.
GENERAL COUNSEL Monarch Acc. Ins. Co., Monarch Life Ins. Co.
Equipped for investigations and Adjustments, trial of Insurance Cases in Federal or State Courts.

WILLIAM C. MELLISH

604-7 Slater Bldg.
Worcester, Mass.
Representing Globe Indemnity Co., New York, and others.
Investigations and Adjustments, trial of all insurance cases in Federal and State Courts.

MICHIGAN

SEABORG & RICE

Attorneys and Counselors
827 Penobscot Building
Detroit, Michigan
Randolph 5160

PAUL H. SCHULZ

523 Michigan Building
Detroit, Michigan
Trial of cases, Investigations and adjustment of claims. Technologist Service.

EARL P. TROBERT

405-6 Dryden Building
Flint, Michigan
Phoenix Indemnity Company, Zurich-General Accident & Liability Insurance Company, Western Adjustment & Inspection Company and others.

NORRIS, McPHERSON, HARRINGTON & WAER

1107 Peoples Bank Building
Grand Rapids, Michigan

ROSENBERG & PAINTER

891-6 Reynolds Bldg.
Jackson, Michigan
Represent: Zurich, London & Lancashire, Western & Southern, Provident Life & Accident, Michigan Mutual, Ohio Casualty, Citizens Mutual and others.
Investigations and adjustments in central and southern Michigan.
Trial of all insurance cases.

FOSTER & CAMERON

709 American State Savings Bank Building
Lansing, Michigan
Aetna Group and Others
Trial of Cases, Investigation and Adjustments

MICHIGAN (Cont.)

NASH & NASH

602 Second National Bank Building
Saginaw, Michigan
Equipped for investigations, adjustments, settlement of claims and trial of insurance cases in Northeastern Michigan.

MISSISSIPPI

WELLS, WELLS AND LIPSCOMB

9th Floor Lamar Life Building
Jackson, Mississippi
Representing Hartford Acc. & Ind. Co., Fireman's Fund Ind. Co., Continental Cas. Co., Market Service, Inc., Loyalty Group and many others on request.
Equipped for investigations, adjustments, and trials all over state.

WILBOURN-MILLER & WILBOURN

Citizens National Bank Bldg.
Meridian, Mississippi
Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Eastern Mississippi.

MONTANA

BOLINGER & BOLINGER

Suite 1 & 2 Gallatin Block
Bozeman, Montana
Equipped for investigation, adjustments and trial of all insurance cases in state and federal courts in the south-central parts of Montana.

CORETTE & CORETTE

619-621 Hennessy Building
Butte, Montana
Representing American Surety Co., Fidelity & Deposit Co. of Md., New York Casualty and others.
Equipped for investigations, adjustments and trial of insurance cases in all courts in Montana.

HOWARD TOOLE

507 Montana Building
Missoula, Montana
U. S. F. & C., Maryland Casualty Co., Fidelity & Casualty Co. of N. Y.
Equipped to handle investigations, adjustments, and trial of all insurance cases in state and Federal courts in entire Western Montana including Missoula, Powell, Granite, Saunders, Mineral, Ravalli and other counties.

NEBRASKA

STEWART, STEWART & WHITWORTH

1412 Sharp Bldg., Lincoln, Nebraska
Trial of insurance cases in Federal and State Courts in Nebraska.
Investigations, adjustments and settlement of claims.

Rosewater, Mecham, Shackelford & Stoehr

1028-40 City National Bank Building
Omaha, Nebraska
Investigations - Adjustments - Trial work Nebraska and Western Iowa.

NEVADA

Ayres, Gardiner & Pike

1st National Bank Building
Reno, Nevada
Representing American Surety, Standard Accident and several other companies.
Equipped to handle adjustments, investigations, settlement of claims all over Nevada.

NEW JERSEY

WILLIAM L. RAE

1 Exchange Place
Jersey City, N. J.
Representing Exchange Mutual, Indemnity & Ins. Co.

ANDREW J. WHINERY

744 Broad Street
Newark, New Jersey

NEW MEXICO

RODEY & DICKASON

1st National Bank Building
Albuquerque, New Mexico
State counsel for various life, casualty and fire insurance companies. Trial of cases in all courts of New Mexico, State and Federal. Insurance client references given on request. Adequately equipped for adjustments and investigations.

WILSON & WATSON

Sena Plaza
Santa Fe, New Mexico
American Surety Co. of New York, Maryland Cas. Co., Trial of Cases in all courts of New Mexico, State and Federal.
Members of Firm:
Francis C. Wilson John T. Watson John C. Watson

NEW YORK

GEORGE J. HATT, II

Chamber of Commerce Building
Albany, New York
Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in State and Federal courts.

LEE, LEVENE & McAVOY

TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

WILCOX & VAN ALLEN

1008 Liberty Bank Building
Buffalo, New York

CLARENCE E. MELLEN

51 Maiden Lane
New York, N. Y.
Mass. Bonding & Insurance Co.
New Amsterdam Casualty Co.,
United States Casualty Co.
Trial of all insurance and surety cases in State and Federal Courts. Equipped for investigations.

BURNS & BURNS

502 Wilder Building
Rochester, New York
National Surety Corp.—American Surety Co.
Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in state and federal courts.

MELVIN & MELVIN

304-14 First Trust & Deposit Building
Syracuse, New York
Royal-Eagle-Century
Equipped for investigations, adjustments, settlements and trial of all insurance cases—State and Federal Courts.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

NEW YORK (Cont.)

DUNMORE, FERRIS & BURGESS

First National Bank Building
Utica, New York
Continental, Liberty, Norwich, Fidelity & Deposit
Equipped for Investigations, Adjustments, Settlement of Claims, Trial of all Insurance Cases in State and Federal Courts.

ACKERMAN, LEVET & GEILICH

175 Main St.
White Plains, N. Y.
John J. Ackerman William B. Levet
Ralph Geilich

NORTH CAROLINA

SMATHERS, MARTIN & McCOY

Jackson Building
Asheville, North Carolina
Representing Aetna, Travelers, Ind. Ins. Co. of N. A., American Surety Co. and many others.
Equipped for Investigations, Adjustments and Settlement of all claims. Trial of all cases in State and Federal Courts in Western North Carolina.

EDGAR D. BROADHURST

Banner Building
Greensboro, North Carolina
Equipped for adjustments. Trial of insurance cases in State and Federal Courts.

BURGESS, BAKER & ALLEN

The Raleigh Building
Raleigh, North Carolina
Sun. Ind. Co., Royal Ind. Co., Globe Ind. Co. and others.
Investigations, adjustments and trial work in Central and Eastern North Carolina.

OHIO

Waters, Andress, Wise, Roetzal & Maxon

1119 First Central Tower
Akron, Ohio
Representing Aetna Life Ins. Co., U. S. F. & G. Many others given on request.
Trial of all kinds insurance cases in State and Federal Courts and in surrounding territory.

JOHN H. McNEAL

502 Auditorium Bldg., 1367 E. Sixth St.
CLEVELAND
Phone Main 1928
Attorney-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio

Charles T. Warner

35 East Gay St., Columbus, Ohio
(Former Judge of Common Pleas Court and Superintendent of Insurance of Ohio from 1931 to 1935).
General Insurance Practice in All Courts and Insurance Department
Investigation and Adjustment of Claims
General Insurance Matters

MATTHEWS & MATTHEWS

25 North Main St.
Dayton, Ohio
Ocean Accident, Ohio Farmers, Ohio Farm Bureau, Indemnity Co. Col.

CABLE & CABLE

Masonic Building
Lima, Ohio
Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila.
Trial of all Insurance cases in Federal and State Courts. Equipped for investigations.

OHIO (Cont.)

YAGER, BEBOUT & STECHER

303 Second National Bank Building
Toledo, Ohio
American Surety Company, Phoenix Insurance Company of Hartford, Conn., and Massachusetts Bonding & Insurance Company.

RUSSELL RAMSEY

801 Feick Building
Sandusky, Ohio
Equipped for Investigations, adjustments, and settlements of claims.
Trial of all insurance cases.
Bank reference: Western Security Bank (Counsel).

OKLAHOMA

Embry, Johnson, Crowe & Tolbert

First National Building
Oklahoma City, Oklahoma
Equipped for investigation, adjustments, trial of all insurance cases in the State of Oklahoma.

V. E. McINNIS & JAMES H. ROSS

Ramsey Tower
Oklahoma City, Okla.
Representing Aetna Cas. & Sur. Co., Aetna Life, Prudential Ins. Co. of Amer., Car & General, Employers Reinsurance Co., Pacific Indemnity Co., and others.
Equipped for Investigations, Adjustments and Trial All Insurance Cases.

GEORGE M. NICHOLSON

Perrine Building
Oklahoma City, Oklahoma
Formerly Chief Justice of Supreme Court of Oklahoma.
Trial of all insurance cases in State and Federal Courts.

THURMAN & THURMAN

504-508 Braniff Building
Oklahoma City, Oklahoma
Representing F. & C., New York; F. & D., Baltimore; Mass. Bonding and many others given on request. Equipped for investigation, adjustments, settlement of all insurance claims. Trial of all insurance cases.

OREGON

IMMEL & EVANS

First National Bank Building
Eugene, Oregon
Companies represented: U. S. F. & G. Co., Royal Group, Mass. Bonding & Ins. Co., and others on request. Equipped for investigation, adjustment and trial all insurance cases, State and Federal Courts, this territory.

G. M. ROBERTS

WM. M. McALLISTER
Medford National Bank Building
Medford, Oregon
Travelers, Indemnity Ins. Co. of North America, American Motorists Ins. Co., Pacific Indemnity Co., General Accident F. & L. Assur. Corp., Ltd.
Investigations, adjustments and trial of all insurance claims in southern Oregon and Siskiyou and Del Norte Counties, Cal.

Collier, Collier & Bernard

Suite 1220 Spalding Building
Memphis, Tennessee
Henry E. Collier John A. Collier
E. F. Bernard
Portland, Oregon

DEY, HAMPSON & NELSON

800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

OREGON (Cont.)

MAGUIRE, SHIELDS & MORRISON

1113 Public Service Building
Portland, Oregon
Representing Maryland Cas. Co., Employers Reins. Corp., Yorkshire Ind. Co., Sun Ind. Co., American Auto Ins. Co., Associated Ind. Co., United Pacific Cas. Co., Canadian Ind. Co., Canadian Fire Ins. Co., Great Lakes Cas. Co., and others.

PENNSYLVANIA

HENRY S. AMBLER, JR.

1025 Philadelphia Savings Fund Building
Philadelphia, Pa.
Representing Glens Falls Ind., Continental Casualty, Century Indemnity.
Equipped for investigations, adjustments and trial of all cases in Southeastern Pa.

GEORGE Y. MEYER

1513 Berger Building
Pittsburgh, Pa.
Representing Employers Group, Loyalty Group and many others given on request.
Equipped for Investigations, Adjustments in Southwestern Pennsylvania.

LEO A. NUNNINK

1513 Berger Building
PITTSBURGH, PA.
Phone Court 2265
Attorney-at-Law
Facilities for Investigations, Adjustments and Trial Work over Western Pennsylvania. Clients given on request.

RHODE ISLAND

SHERWOOD & CLIFFORD

1503 Turks Head Building
Providence, R. I.
Trials—Investigations—Adjustments

SOUTH CAROLINA

THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life.
Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

SOUTH DAKOTA

BAILEY & VOORHEES

Charles O. Bailey (1860-1928)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottomm
Howell L. Fuller
BAILEY-GLIDDEN BUILDING
SIOUX FALLS
INSURANCE PRACTICE

TENNESSEE

PLEASANTS & HICKOX

1715 Exchange Building
Memphis, Tennessee
Several years engaged in trial of all Insurance Cases in State and Federal Courts. Equipped for investigation, Adjustments and Settlement of all Insurance claims in Western Tennessee, Northern Mississippi and Eastern Arkansas.

AUST, McGUGIN & SPEARS

American Trust Bldg.
Nashville, Tenn.
Representing Firemen's Fund, Lumbermans, American Motorist, and many others.
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal courts in Central Tennessee.

TEXAS

WAGSTAFF, HARWELL

WAGSTAFF & DOUTHIT

Attorneys at Law
Ablene, Texas
Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases

WILL R. SAUNDERS

1013 Oliver Eakle Building
Amarillo, Texas
Representing Associated Ind. Corp.; Traders & General Ins. Co.; American Fidelity & Cas. Co. of New York. Equipped to handle claims, adjustments, and investigations Panhandle territory. Practice in all State and Federal Courts.

HART, PATTERSON AND HART

624-630 Littlefield Building
Austin, Texas
Representing F. & D., Baltimore, Zurich Ins. Co., Home Ins. Co. of N. Y., American National Ins. Co., and others on request.
Equipped for adjustments in Central Texas and trial work in all courts—State and Federal.

KING & RIENSTRA

205 Gilberts Building
Beaumont, Texas
Representing Employers Group, Boston, others on request.
Trial of all insurance cases State and Federal Courts Eastern District of Texas.
Equipped for investigations.

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

COKE & COKE

First National Bank Building
Dallas, Texas
Henry C. Coke
1856-1933
Alexander B. Coke Henry C. Coke, Jr.
Bosser J. Coke Julian B. Martin
Richard W. Coke Thomas G. Murnane
John N. Jackson

SANER, SANER & JACK

Twentieth Floor Republic Bank Bldg.
R. E. L. Saner
Jno. C. Saner
Wm. H. Jack, Jr.
DALLAS, TEXAS

R. A. D. MORTON

555 FIRST NATIONAL BANK BUILDING
EL PASO, TEXAS
REPRESENTING:
Metropolitan Life Ins. Co. in West Texas.
Royal Indemnity Company,
Indemnity Ins. Co. of North America, and others.
SPECIALIZE:
In Trial Work, all Courts.
Adequately equipped for adjustments, investigations in Southwest Texas and Southeast N. Mex.

Cantey, Hanger & McMahon

15th Floor Sinclair Building
FORT WORTH, TEXAS
Samuel B. Cantey Samuel B. Cantey, Jr.
(1882-1924) Alfred McKnight
William A. Hanger Gillis A. Johnson
Mark Mahon R. E. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

COLE, COLE, PATTERSON & BELL

Citizens State Bank Building
Houston, Texas
Galveston, Texas
Standard Accident Insurance Company of Detroit
Chicago Lloyds.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustments, trial of all insurance cases and oil cases.

(Continued next page)

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

TEXAS (Cont.)

BOYLES & ATKINSON

First National Bank Building
Houston, Texas
Edward S. Boyles
Norman Atkinson
M. S. McCordale
E. F. Gibbons
Willard L. Russell

SIMMONS & ARNOLD

824-29 First National Bank Building
Houston, Texas
New Amsterdam Cas. Co., Allermannia Fire of Pittsburgh, Craven-Dargan, American Central Fire, St. Paul Fire & Marine.

BLEDSE, CRENSHAW & DUPREE

First National Bank Building
Lubbock, Texas
Representing U. S. F. & G. F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for investigations—Adjustments—Settlement of claims in plains country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
San Antonio, Texas

JOHN McGLASSON

608-9 Amicable Building
Waco, Texas
Equipped for investigations, adjustment and settlement of claims and trial of cases in State and Federal Courts.

T. R. (DAN) BOONE

City National Bank Building
Wichita Falls, Texas
Representing: Home of New York—Loyalty Group—Hartford Accident—Many others.

UTAH

Stewart, Stewart & Carter

1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
Norfolk, Virginia
Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co.
Equipped for investigation, adjustments and trial of all insurance matters in State and Federal Courts.

THOS. O. MOSS

State-Planters Bank Bldg.
RICHMOND, VIRGINIA
Loyalty Group, American Fidelity & Casualty, Royal, Globe Indemnity and others.
Equipped for investigations and adjustments. Trial work.

WASHINGTON

F. A. KERN

Washington National Bank Bldg.
Ellensburg, Washington
U. S. F. & G. Co., Sun Life Assurance Co.

BATTLE, HULBERT, HESSELL & BETTENS

1001 Exchange Bldg.
Seattle, Wash.
Representing Standard Accident Ins. Co. and others. Trial of all Insurance Cases and others in State and Federal Courts.

BAYLEY & CROSON

900-907 Insurance Bldg.
Seattle, Wash.
Frank S. Bayley
Carl E. Croson
O. H. Johnson
Burton J. Wheelon
F. Bartow Fite, Jr.
George W. Martin

EGGERMAN & ROSLING

1824 Exchange Bldg.
Seattle, Wash.
United States Fid. & Guar. Co., Maryland Casualty Co., and others.
Trial of all insurance cases in State and Federal Courts in western Washington.

N. A. PEARSON

403-04 Fourth & Pike Bldg.
Seattle, Wash.
Associated Indemnity Corp., and London Guarantee & Accident Co.
Equipped for investigations and adjustments and trial of all Insurance Cases in State and Federal Courts.

ROBERTS, SKEEL AND HOLMAN

Insurance Building
John W. Roberts
E. L. Skeel
Tom W. Holman
Frank Hunter
Tyre H. Hollander
Laurence Booth, Jr.
W. B. McKelvy
Wm. Paul Uhlmann
Harry Henke, Jr.
W. E. Evenson
Robert H. Grace
SEATTLE

RYAN, ASKREN & RYAN

Suite 1903, Northern Life Tower
Seattle, Wash.
Counsel for Association of Life Insurance Presidents—Commercial Casualty, Metropolitan, London Guarantee & Accident and others.
Trial all insurance cases in State and Federal Courts in Western Washington.

POST, RUSSELL, DAVIS & PAINE

Exchange Building
Spokane, Washington
Aetna Group, Hardware Mut. Cas. Co., Phoenix Ind. Co. and others.
Investigations, adjustments and trial of all insurance cases in Eastern Washington and Northern Idaho.

WISCONSIN

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

WYOMING

WM. B. COBB

Consolidated-Royalty Building
Casper, Wyoming
Representing U. S. F. & G., Travelers, Loyalty Group, Glens Falls and others.
Equipped for investigations, adjustments and trial of all insurance cases.

agency, who spoke on "Employers Liability"; E. G. Pryor, Underwriters Laboratories, who explained the workings of that organization, and Lloyd Beattie, Home of New York, on the "Seven-Point Combined Contract."

Scammell to Los Angeles

E. J. Scammell, independent adjuster in San Francisco for the past five years, has been appointed manager of the Los Angeles office of Dalton & Co., adjusters.

Before entering the independent adjusting field, Mr. Scammell was for three years claims manager of the automobile department of the former Goodwin, Klinger & Mackay general agency. Later he joined Swett & Crawford as assistant claims manager, subsequently for three years serving as claims manager of the West American.

Oregon Convention Set

PORTLAND, ORE., June 10.—The annual meeting of the Oregon State Agents Association will be held Aug. 6-8 in Portland.

Paul Landry of Klamath Falls, Claude Nasburg of Marshfield and John Sturm of Portland are on the convention committee.

Montana Commissionership

John J. Holmes, Montana insurance commissioner, is a candidate for renomination before the Democratic primaries. He will undoubtedly be the victor. George P. Porter, Republican, who was defeated four years ago by Democrat

Holmes, is the chief aspirant in the Republican primaries. Since leaving office he has been selling insurance and assisting his son in operating the latter's garage in Helena.

Guptil Seattle Speaker

SEATTLE, June 10.—F. P. Guptil, special agent Hartford Fire, Seattle, and president Special Agents Association of the Pacific Northwest, spoke before the King County Insurance Agents Association on "What Makes a Good Agent."

New Los Angeles Office

The Los Angeles office of the Pacific National Fire, has moved to new and larger quarters at 650 South Spring street. An open house was held with head office officials including President Frank N. Belgrano, Jr., in attendance. The office is being equipped to render home office services to agents and brokers. A full set of records and other necessary information will be kept on file. Royal Elmore is superintendent of the southern California territory. W. B. Nute is underwriter and D. Edmondson, accountant, has been transferred from San Francisco to Los Angeles.

Mutual Men Hear Querl

E. P. Querl, industrial and aviation commissioner of the Los Angeles chamber of commerce, was guest speaker at the June evening meeting of the Mutual Insurance Club of Los Angeles. H. M. Hutchison of the Mills Mutuals also talked.

EASTERN STATES ACTIVITIES

Signs Resident Agent Bill

New York Governor Acts Favorably—
Every State Now Has
Such a Statute

NEW YORK, June 10.—With the approval by Governor Lehman of the resident agent bill passed at the latest session of the New York legislature, every state now has such a statute. The District of Columbia does not have such a statute.

The New York law, immediately effective, forbids the writing of insurance upon property in the state, "unless such policy or contract is issued through and countersigned by a lawfully constituted and licensed resident agent in this state."

Life and fraternal insurance, insurance of rolling stock of railroads or other common carriers, property in transit and reinsurance between companies, is exempt from application of the statute.

While the law was ardently championed by many agents of the state, it was objected to by others. Those resident in New Jersey or Connecticut, although having their place of business in New York, felt they might be deemed non-residents under the law. The question as to the constitutionality of the measure has been discussed, but is hardly likely to be challenged in the courts.

Under provisions of the laws of Florida, Iowa, Kentucky, Montana, Nevada and Wisconsin, payment of commission to non-residents on resident-owned property is forbidden. The same prohibition obtains as to Baltimore, St. Louis, Cleveland and Cincinnati. Brokerage on resident risks is limited to 3% of the agent's commission in New Mexico, to 1/2 in North and South Carolina and to 10 percent in West Virginia. Special agents in Alabama, Florida, Nebraska, Oklahoma, Washington and West Virginia are not allowed to sign policies.

Joseph E. Crawford, agent at Mount Vernon, N. Y., for 60 years, returned recently from a trip around the world.

West Virginia Program Given

Bennett, Fire Marshal, Commissioner
Sims, Deputy Justice to Be Heard
at Huntington Convention

The program is announced for the annual meeting of the West Virginia Association of Insurance Agents at the Hotel Governor Cabell, Huntington, June 15-16.

Monday, June 15

Registration, 11 a. m.
Business session, 1:30 p. m.
Address of welcome, Mayor M. V. Chapman.

Welcome on behalf of local board, President G. C. Sullivan.
Response, R. D. Watts.
Report of president, J. W. Blakely, Welch.

Report of national councillor, T. H. Pollock, Wheeling.

Report of committee chairmen: Executive, R. D. Watts; legislative, George Robson; finance, M. R. Frantz; membership, Dale Sheets; fire prevention, C. V. Feller; accident prevention, R. L. Archer.

Report of secretary.
Reading of communications.
Appointment of convention committees.

Monday Evening

Banquet, 6:30 p. m., guest speaker, Walter H. Bennett, National Secretary; Edgar B. Sims, insurance commissioner; Harlan Justice, deputy commissioner; Fred B. Watkins, state fire marshal.

Tuesday, June 16

Business session, 9:30 a. m.
Discussions:
"Retrospective Rating and Whither Are We Drifting," F. R. Bell, Charleston.
"Cutrate Agencies," Paul Rusk, Charleston.

"Insurance and Finance Companies," Charles Paul, Wheeling.

"Additional Hazards Supplemental Contract," VanDyke Clark.

"Insurance Agent and Taxes," Isaiah Smith, state tax department.

Unfinished business.

New business.

Report of convention committees.

Election of officers.

Invitation for place for next annual meeting.

The local committees consist of: Banquet, G. C. Sullivan and H. S. Ellis;

registration, Leo Schoenfeld; finance, Robert Archer; reception, C. W. Thornburg; entertainment, C. A. Staats.

New England Program Ready

Bair, De Celles, Dauwalter and Randall to Address Associations at Manchester, Vt., Meeting

Program for the meeting of the New England Associations of Insurance Agents, to be held at the Hotel Equinox, Manchester, Vt., July 6-8, is announced by A. B. White, program chairman and secretary of the Mason Insurance Agency, Keene, N. H.

The program is complete with one exception. On July 7 it is planned to have an address by an outstanding insurance buyer, who has not yet been selected.

The program this year is not built around any one theme, but features outstanding topics in the business, including addresses by notables. At the get-together dinner July 6 Gov. Charles M. Smith of Vermont and K. H. Bair, president National Association of Insurance Agents, will extend greetings. Commissioner DeCelles of Massachusetts will talk.

Tuesday morning reports will be given, and an address by Mr. Bair of the National association. The meeting Wednesday morning has been largely confined to the two outstanding questions: retrospective rating of workmen's compensation which will be explained by J. W. Randall, vice-president Travelers, and the new Company-Agency Stock Fire Insurance Office, explained by Manager F. S. Dauwalter, his subject being, "A Joint Enterprise." Both are prepared to answer questions. If time remains, there will be a New England State Associations agenda, which will be taken care of by the presidents of the various New England associations. The complete program is:

July 6

4 p. m.—Meeting of New England Advisory Board.

6 p. m.—Registration.

7 p. m.—Get-together dinner, Fred R. Smith, Haverhill, Mass., chairman, presiding.

Greetings from State of Vermont, Governor Charles M. Smith, of Vermont.

Greetings from National Association of Insurance Agents, K. H. Bair, president. Address, F. J. De Celles, commissioner of Massachusetts.

Address, "Cry Babies—Can We Take It?" J. A. Wright, lecturer, Scotia, N. Y.

July 7

Greetings from Vermont Association of Insurance Agents, E. F. Livingston, president.

Response, A. B. Gile, national councillor for New Hampshire.

Annual Address of the chairman, Fred R. Smith.

Report of Secretary-Treasurer Warren S. Shaw, Brockton, Mass.

Address, K. H. Bair, president National Association of Insurance Agents.

Demonstration of Fire Prevention Methods, T. W. Gunn, New Hampshire Board of Underwriters.

Announcements.

Afternoon

Golf tournament, fly-casting, trap shooting, horseshoe pitching, and other sports.

Bridge party in hotel parlors. Informal dinner.

Concert, awarding of prizes.

July 8

Address, "The Retrospective Rating Plan," Jesse W. Randall, vice-president Travelers and Travelers Indemnity.

Question period.

Address, "A Joint Enterprise," F. S. Dauwalter, manager Joint Stock Company Agency Office.

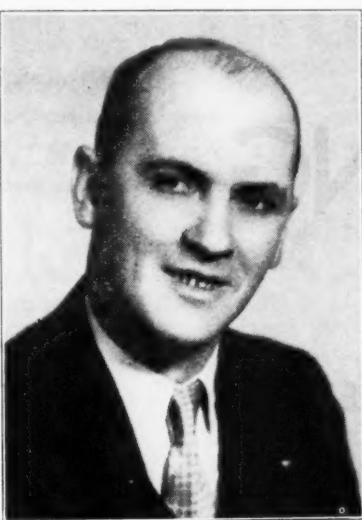
Question period.

State Association Program Exchange, given by presidents of New England associations.

Opens Boston Field Office

BOSTON, June 10.—A field office of the Factory Insurance Association has been opened in Boston at 40 Broad street, where a clerk will be in attendance each day and General Agent F. W. Eames, Field Manager C. A. Ross.

To Preside at Annual Meet of W. Va. Agents



JOHN BLAKELY

At the annual meeting of the West Virginia Association of Insurance Agents at Huntington, Monday and Tuesday of next week, President John Blakely of Welch will be in charge and preside over the sessions.

Special Adjuster H. P. Conklin and Inspector G. D. Estes will have headquarters. The general business of the association will be done through the Hartford office as usual.

Rochester Board Outing

ROCHESTER, N. Y., June 10.—The Rochester Board will hold a stag outing July 15, Frank O. Hayes serving as chairman. The brokers and agents will meet in a ball game, followed by dinner.

Beck Union County Head

New officers of the Union County (N. J.) Association of Underwriters are: H. F. Beck, Summit, president; Donald Pearsall, Westfield, vice-president; J. G. Mulford, Plainfield, treasurer, and B. N. Miller, Elizabeth, secretary.

Rating Committee Meets

The governing committee of the Middle Department Rating Association held its June meeting at the Westtown, Pa., country home of Otho Lane, president Fire Association. Those present included W. B. Burchell, W. F. Dooley, J. V. Herd, C. M. Kerr, John Kremer, C. A. Nottingham, H. S. Poole, William Rearden, Joseph Snell, Paul B. Sommers, Louis Widerhold, Jr., and Henry A. Yates.

Air Conditioning for Phoenix

HARTFORD, June 10.—The home office of the Phoenix of Hartford is being air-conditioned.

Entertain James Roosevelt

HARTFORD, June 10.—James Roosevelt, oldest son of the President, was a visitor in Hartford and had luncheon at the Hartford Club as guest of several Travelers officials. Mr. Roosevelt was accompanied by John Sargeant, who is associated with him in a brokerage business in Boston. The firm has business connections with the Travelers.

N. J. Associations Hold Outing

A joint outing of the Passaic County Insurance Agents Association and the Bergen County Association of Insurance Agents, is being held this week at

the White Beeches, Haworth, N. J. There will be various outdoor sports and a dinner in the evening.

Motor Insurance Events

Boney Approves Auto Rate Changes in North Carolina

Commissioner Boney of North Carolina has approved increases in automobile collision rates and reductions in auto fire and theft rates, to become effective at once. Mr. Boney stated that companies writing collision in North Carolina have been losing money for five years, and automobile accidents are showing a present upward trend.

Flat premium rates on the \$50 deductible collision policy were increased from \$9 to \$12 for low priced new cars, with other increases in proportion. The rates on fire and theft on new cars were reduced from \$2.75 to \$2.10, per \$100 of insurance for Chevrolets; from \$3.10 to \$2.50 for Fords and similarly for other makes. On the same cars, fire and theft rates based on actual value were cut from \$14.45 to \$11.55 on Chevrolets, from \$15.30 to \$13.75 on Fords.

Consider Promotional Campaign

DENVER, June 10.—W. Rex Kerr, secretary Denver Association of Insurance Agents, has been named chairman of a committee to investigate costs and advisability of conducting a sales-promotional campaign to draw more auto fire and theft insurance to the local agents. He will study the use of blotters and other advertising matter in relation to costs and probable benefit.

The auto finance question has been an important one to the Denver association, and although the local association meetings have been suspended for the summer, a special meeting will probably be called to take action on getting more of this business. Contacting of auto dealers and finance companies to get cooperation and special legislation to control the situation have been two other suggestions made on the problem.

Cover First \$50 of Loss

In view of the fact that the finance companies are requiring purchasers to carry \$50 deductible collision insurance, a demand has developed for a form of insurance that will cover the first \$50 of loss. Some of the companies are issuing such a contract on the convertible collision basis. They charge an initial premium which is equal to the difference between what the full premium for the convertible collision coverage would be on the regular basis and the premium for the \$50 deductible collision coverage. Thus if the initial premium for the convertible collision cover were \$18 on the full basis and the collision premium for \$50 deductible were \$10, the initial premium that would be charged for covering the first \$50 of loss would be \$8. Then the assured in order to collect for a loss would have to pay an additional \$22, making his total outlay \$30. After he had paid that additional \$22 he would be insured for any loss during the remainder of the term of the contract up to \$50.

Indianapolis Agent Dies

Herman E. Schmitt, 52, prominent in Indianapolis fire and casualty insurance circles for 30 years, died suddenly of a heart attack. He had not been ill and had been at business as usual on Monday. He had operated a local agency for 25 years, having previously been connected with the insurance department of the Fletcher Trust Company. Two sons were associated with him in business.

CANADIAN

Manufacturers Committee Reports on Classifications

QUEBEC, June 10.—The report of the insurance committee of the Canadian Manufacturers Association presented at the annual meeting here, included the following reference to the study being made of definitions and classifications by a committee of provincial superintendents and company officials:

"Some concern was felt that this might result in an increase of insurance cost and inconvenience in securing coverage and might interfere with 'all-risk floater' policies. A deputation interviewed the superintendent and was told that the intention is to provide for proper classification, according to the chief element of risk, that the committee would not deal with rates, and that it would continue to be possible to secure 'all risk floater' policies as in the past. In these circumstances the committee decided that the new system should be given a fair trial and that further representations should be made if and when necessary."

The committee also reported that it had cooperated in a conference arranged by the Dominion insurance department in connection with regulation of hazards incidental to transportation, storage, sale or use of gasoline and other petroleum products.

Ontario Raises Agents Fees

The Ontario insurance department announces an advance in agents' license fees, expected to add about \$50,000 to its revenue. For life, accident and sickness the fee is raised from \$3 to \$5. For other classes there is a new schedule, the fee being \$25 in municipalities of 50,000 and over, \$15 where population is from 25,000 to 50,000, \$10 where population is from 10,000 to 25,000, and \$5 in other places. General brokers are to pay \$25.

Gair Promoted at Winnipeg

The Allan, Killam & McKay agency of Winnipeg has elected Joseph Gair director and secretary.

Mr. Gair entered the agency 14 years ago as head of the inspection and service department. He was subsequently named manager of the insurance department. Formerly associated with the W. C. I. U. A., he was recently elected vice-president of the Insurance Agents Association of Winnipeg. He has lectured before Insurance Institute of Winnipeg and is an active member of the board of trade.

Form Tri-County Board

ASHLAND, WIS., June 10.—Organization of a tri-county association of local agents in Ashland, Iron and Bayfield counties will be completed at a meeting here this week. A preliminary meeting was attended by 39 local agents from the area and an organization committee appointed, consisting of Lawrence Lamal, Ashland; Everett Reid, Hurley, and J. P. O'Malley, Bayfield. Representing the Wisconsin Fire Underwriters Association in the organization work were A. G. Meredith, Oshkosh, state agent Fire Association, president; Arthur Schulkamp of Fish & Schulkamp, general agents at Madison, and Harvey Girard, Milwaukee, state agent Providence Washington and chairman of the state public relations committee. The organization is sponsored jointly by the Wisconsin field men's organization and the Wisconsin Association of Insurance Agents. Local agents of Washington county will hold an organization meeting soon at West Bend to form another new county unit.

SAFE DRIVING

DRIVING HEEDLESSLY
MAKES
ACCIDENTS NEEDLESSLY

A & H MEN KNOW THAT
ONE BY-PRODUCT OF OUR
BAD DRIVING HABITS IS
HIGHER LOSS RATIOS

IT'S DEFINITELY PROFITABLE
AS WELL AS HUMANE TO

PROMOTE SAFE DRIVING

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

**EMPLOYERS
REINSURANCE
CORPORATION**
E. G. TRIMBLE, President

The National Underwriter

June 11, 1936

HEALTH AND ACCIDENT CONFERENCE NUMBER

40th Year, Number 24

Kendall Elected Conference President

Attendance Sets New High Record

Program of Especial Excellence
and Interest Well Maintained
Throughout

MANY OUTSIDE SPEAKERS

Huebner, Doolin, Weaver, Owen and
Metcalf Make Important and Val-
uable Contributions

The 1936 annual meeting of the Health & Accident Underwriters Conference, held last week in Chicago, is regarded as one of the most successful the conference has ever held, in point of attendance and interest manifested as well as in the quality of the program presented. The total registration of 207 members and guests, not including the 45 or 50 ladies in attendance, sets a high new record for recent years. Several companies that had not been represented for several years had two or more representatives in attendance. A number of officials of companies that had been members for years were attending their first conference meeting. While the bulk of the attendance was from the central west, the Pacific Coast and the Atlantic seaboard were effectively represented, along with the intervening sections.

Clyde W. Young, Monarch Life, the retiring president, received many favorable comments on the program. Much

New Officers of Conference

PRESIDENT

George R. Kendall, Washington National

CHAIRMAN EXECUTIVE COMMITTEE

Sam C. Carroll, Mutual Benefit Health & Accident

SECRETARY

E. A. McCord, Illinois Mutual Casualty

FIRST VICE-PRESIDENT

John M. Powell, Loyal Protective

SECOND VICE-PRESIDENT

A. E. Faulkner, Woodmen Accident

EXECUTIVE COMMITTEE

S. C. Carroll (reelected); J. H. Torrance, Business Men's Assurance, and C. W. Young, Monarch Life. Holdovers—O. B. Hartley, Great Western; C. W. Ray, Hoosier Casualty; J. E. Powell, Provident Life & Accident; Cary Gorton, Pacific Mutual Life; Paul Clement, Minnesota Commercial Men's, and George F. Manzelmann, North American Accident.

interest was aroused in the appearance of several speakers from outside the conference ranks, including Dr. S. S. Huebner of the University of Pennsylvania, L. J. Doolin of the Life Insurance Research Bureau, E. W. Owen, Detroit manager Sun Life of Canada, and H. G. Weaver, director customer research, General Motors Corporation, in addition to R. K. Metcalf, Connecticut General Life, president International Claim Association, who is of course primarily an accident and health man, although his company is not a member of

the conference. Mr. Metcalf, speaking as a claim man, told how the claim department and its work could be made more valuable to the agency and underwriting departments. Definite programs for investments and for conservation work were suggested by D. W. Gordon and C. H. Munsell, both of the Monarch Life.

The special sessions on agency management and legal questions, started last year, were continued at this year's meeting. Both were well attended and

(CONTINUED ON PAGE 32)

New H. & A. Chief Proven Executive

Carroll Made Executive Committee
Chairman, Put in Line for
President Next Year

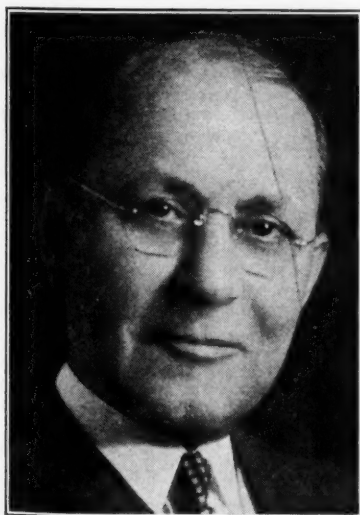
THREE COMPANIES ADDED

Accessions Bring Present Membership
to 85—Next Meeting Place Left
to Executive Committee

The Health & Accident Underwriters Conference at its annual meeting in Chicago selected a staff of proved executives to guide its affairs for the coming year.

George R. Kendall, president of the Washington National, Chicago, who has served as chairman of the executive committee the past year, was advanced to president of the conference at its closing session. Mr. Kendall started his insurance career in 1898, collecting a debit for the Prudential in Louisville, thus following in the footsteps of his four older brothers. He made rapid advancement in that field, serving in various Indiana cities and later as superintendent in such widely separated points as Jersey City and Seattle. In 1911 he decided that he wanted to establish an industrial accident and health company of his own and in company

(CONTINUED ON PAGE 32)



GEORGE R. KENDALL
Washington National
New Conference President



CLYDE W. YOUNG
Monarch Life
Retiring President



SAM C. CARROLL
Mutual Benefit Health & Accident
Chairman Executive Committee



JOHN M. POWELL
Loyal Protective
First Vice-president

growing

every

month

Consistent month-after-month gains of insurance in force tell the story of Provident's march of progress.

During the first four months of 1936 Provident Life and Accident Insurance Company increased the total insurance in force by

\$6,413,053.00

• January Gain . . .
\$1,408,765

• February Gain . . .
\$1,412,217

• March Gain . . .
\$1,973,773

• April Gain . . .
\$1,618,298

"Consistent Gains" has become more than a mere watchword with Provident Producers—it's a "workword"!

PROVIDENT

LIFE AND ACCIDENT

INSURANCE COMPANY

CHATTANOOGA

protecting provident people
since 1887

**LIFE • ACCIDENT
• HEALTH GROUP •**

Agency Work Needs Factual Knowledge

Importance of More Definite Information Stressed at Agency Management Session

HEAR RESEARCH EXPERTS

L. J. Doolin, Life Insurance Research Bureau, and H. G. Weaver, General Motors, Chief Speakers

The necessity for greater factual knowledge to guide the agency departments of accident and health companies in their operations was stressed at the agency management session, both in the introductory remarks by Col. J. W. Blunt, Monarch Life, chairman at that session, and by the speakers who followed him. The central theme of that session was "Results from Research."

Colonel Blunt said that the lack of clearly established facts in the field of operations is due in part to the fact that the underwriting, claim experience, investments and clerical operations of a company lend themselves to statistical analysis while agency work, on the other hand, deals largely with the human element by the very nature of the selling process. He expressed the belief, however, that it is possible to establish facts that will enable agency executives to do a better job by helping them make more correct decisions. He referred to analyses which had been made in a limited way by certain companies as showing the possibilities along this line.

Illustration Indicates Value of an Analysis

One company made an analysis of several thousand sales. It was surprised to find that 65 percent of its business was being sold to people who had no health and accident coverage, 20 percent to people who had had small accident and health policies or were only protecting their hazard from the accident standpoint, and 15 percent was sold as a replacement of other coverage. This analysis assisted materially in training work, as it pointed out that in 65 sales out of 100 the need for coverage had to be established before the sale could be made.

He declared that the agency executive's real objective is "to produce a predetermined volume of new business of good quality, together with the retention of existing business, at a reasonable cost to our company." He said that objective can be accomplished only by having an agency force which is well situated territorially, well equipped with salable products and furnished with the best working tools obtainable, selected with care and judgment, well trained, compensated equitably, provided with effective home office cooperation, subject to the constant influence of high-type leadership.

Research Work Needed in Accident-Health Field

Along the same line, L. J. Doolin, head of the service department of the Life Insurance Sales Research Bureau, propounded several series of highly provocative questions in connection with various phases of accident and health companies' work which he said need to be answered in order to obtain the highest efficiency, pointing out at the same time that most of them have already been answered or are now being studied in connection with life insurance, and

(CONTINUED ON PAGE 48)

Many Subjects Suggested for Accident-Health Research

Questions propounded by L. J. Doolin of the Life Insurance Sales Research Bureau in his address at the agency management session as possible subjects for research in the accident and health field included:

"Selection"—What is a sound and reasonable selection plan for securing accident and health agents? What is the relation between the turnover of agents and high lapses and claims? What is the relation between underwriting profit and the type of agent under contract? Do poor agents give you poor business? What are the characteristics of good agents and poor agents? What definitely is being done in your business to develop a selection plan which will be more effective than any now in use?

"What is the relation in your company or in a group of companies between part-time men, lapses and claims? Do part-time men give you a higher or a lower lapse and claim experience? What are the facts as they relate to general insurance and multiple line men? Is it sounder and better all around in the long run to operate through general agents, or through direct agents, or general insurance brokers?"

"What is likely to be the public reaction to worthy accident and health salesmen unless there is a gradual but certain improvement in man power? Is it going to be more difficult or less to recruit good men in the future?"

"Training"—What are the fundamentals of a good training plan for accident and health salesmen? Should the home office attempt to train agents direct, or through general agents? What are the relative advantages of correspondence courses, schools either at the home office or in the field, coaching on the job? What minimum amount of time and training is necessary to prepare a new man adequately to represent you and to do your field underwriting? What training plans in use today are most successful? How can they be adapted to your particular company? Are there training plans used in other lines of business, for instance industrial insurance, which you should investigate?

"Compensation"—What are the principles of a good compensation plan? Should salesmen be compensated for quality of business, including persistency, claim experience, and size of policy as well as for the volume of new business? What are some of the new compensation ideas and how are they working?

"Other lines of business use a salary plan of compensation; will it work in the accident and health field? What elements of the industrial debit compensation plan, which is based on gain of insurance in force, can be used in accident and health? Without question, their plan is the most successful of any now in general use in the life field. It might be significant that one of the casualty companies which in recent years has made an outstanding record operates only through salaried salesmen. Is there anything in these other plans for you or must you, for historical reasons or otherwise, cling to your present system?"

"Conservation"—What is the persistency of quarterly, monthly and weekly business as compared to annual and semi-annual business? If quarterly and monthly business is undesirable from a conservation standpoint, how can a larger percentage of your business be sold on the annual and semi-annual plan? Should a company revamp its

sales program to promote the sale of annual and semi-annual premiums? If so, how?

"What is the persistency of contest business? In life insurance, we have found that certain types of contests produce business that is even more persistent than a company's regular business. This information has enabled companies to conduct contests which not only promote volume, but also quality."

"What is the persistency and loss ratio of 'switched' business? What is the persistency and claim experience on brokerage business? How does it compare with your direct business from full time men?"

"Nationalities"—What is the relation of claims and lapses to nationalities? Do certain nationalities give you an adverse experience? Can a good man write these nationalities and give you a favorable experience? Is it more the type of agent than it is the nationality of the insured? If there is a leak in your business on this question of nationalities, shouldn't you find the facts about it?

"Costs"—Are cost standards available to enable you to compare your own expenses with those of other companies similarly situated? Are costs broken down between the home office and the field so that you can tell if you are in line with other comparable companies?

"Territory"—Insofar as territory is concerned, where could I, as an agency man, find out the essential facts necessary for me to decide whether or not to enter or stay in a certain state; for instance Tennessee? What are the state laws? What is the general claim experience? What is the lapse experience? What is the average premium collection? What is the buying power for accident and health insurance? I would need to know these facts, and perhaps others, to decide for or against Tennessee as a territory for my company to develop. I would need to know this for each state in which we operate. The life insurance business has made this information available through research. As a result of this data, many companies have made territorial readjustments during the last few years, withdrawing from marginal or unprofitable states and concentrating in better territory.

"Rates"—Should other factors besides the occupational hazard be taken into consideration when setting up premium rates? For instance, most accidents are caused through automobiles or in the home. A mechanic spends as much time at home as does a clerk, and he drives a car as much or more. Probably he is a better driver than a clerk. Yet he pays a much higher rate. With the increase in Sunday driving, is there a decreasing importance of the occupational hazard?

"People between the ages of say 18 to 35 probably recover from accidents more quickly than people over 50. In addition, their incomes are smaller and there is not the inducement or the moral hazard of prolonging a disability found in persons over 50, for instance. Should age be a factor in rate-making? Perhaps you know the answer to this question; most companies do not."

"Should premiums be based somewhat on the density of population? How does the claim ratio compare in New York or Chicago with that in cities and towns of less than 50,000 population?"

Claim Man Aid to Agent, Underwriter

Proper Use Not Made of Information Uncovered in Course of His Work

METCALF'S VIEWS GIVEN

Connecticut General Man, President International Claim Association, Talks on "We Go Investigating"

The possibility of using the claim man and the information which he uncovers as an aid to underwriters and agents, molding the type of business acquired and conserved, and further harmonizing companies' relationships to the insuring public, were brought out by Robert K. Metcalf, manager claim department Connecticut General Life and president International Claim Association, in a talk before the Health & Accident Underwriters Conference, on "We Go Investigating."

He declared at the outset that (1) the claim man uses but a portion of his findings and (2) "you don't ask him for them."

Claim Man Knows Practical Aspects of the Business

"Through his training," he continued, "your field claim man has an excellent knowledge of the practical aspects of the accident and health business. He has learned to look at any given picture with an analytical eye. Most of them are honestly presented, but he is quick to detect the ones that are not. He sees your policies work and knows the breadth of your goods. He has first-hand experience with any misfit coverage and he has definite opinions based on fact as to the desirability of any given risk with whom he has had contact. His work is with people, not pa-

pers, and his laboratory is the zone in which he operates."

Ordinarily the claim department is not consulted regarding new risks, but Mr. Metcalf declared that the claim adjuster acquires facts—territorial, occupational and circumstantial—which are of material underwriting significance. His operations are carried on in a zone of certain limits and his regular work constantly takes him to all parts of it. Inasmuch as his education has taught him to be inquisitive and observing, he becomes familiar with innumerable small details which are subconsciously sorted and are available to him whenever they may be useful. Amplifying this point, he said further:

Industry, Business Vary in Different Localities

"Different types of industry and business are found in different places. Certain cities are primarily devoted to special industries. Some towns are essentially commuting places; others, farther removed from large centers of population, are almost entities. Some farms are of one character, some another. Bearing in mind that it is the people themselves who interest us, they are the focusing point for our ultimate attention. People of one race or color naturally gravitate toward each other. Certain types of business seem naturally to at-

tract as operators or employees those of the same nationality. They are established in one section of a city here and predominate in an entire town there. In analyzing any given section, city, town or block of streets, you find certain homogeneous characteristics.

Many Changes Take Place Within a Year

"Now the important point to be remembered is that, excepting some isolated rural communities, none of the observations made last year would be 100 percent true today. Granting that your underwriting picture was exact when the risk was acquired, what proof have you that the same conditions still exist? Industries expand or move away. New businesses start and old ones fail. The people affected move in or out and with each such move the field claim man sees the result as it is reflected on the local grocer, druggist or other subsidiary enterprise. All this is essentially underwriting material for this is where the existing and potential risks live and work. Field claim men see these changes but home office underwriters can't.

"You are familiar with the fact that concerns manufacturing similar products are not all alike. One may be located in a well situated, well equipped and properly safeguarded plant. Another

will be found in a down-at-the-heel part of the city operating with nearly obsolete equipment. Those employed in each plant can honestly give identical answers concerning their occupations, and yet there is a very real difference in the risk assumed. On paper they may look alike. The claim man knows they are not, but do you have this information? Probably not, and he is about the only one who can give it to you."

While the claim man ordinarily does not know what risks are on the books unless he has had claims from them, Mr. Metcalf considers that this is not an insurmountable difficulty. There is no reason why he can't learn more about the existing risks his company is carrying in his territory. If the information which he acquires causes him to suggest the cancellation of some business, he may make himself unpopular with agent or broker, but on the other hand this information may be the means of avoiding a cancellation. He can help select risks and can uncover potential claims as well as existing ones. As in medicine, preventive measures deserve fully as much attention as curative ones.

"As examples of the constructive side from an agency viewpoint, let us assume our local claim man has a case which requires him to go into an area where floods caused severe damage in the spring. He knows that on his last visit

WASHINGTON NATIONAL INSURANCE CO.

H. R. Kendall, Chairman

— CHICAGO —

G. R. Kendall, President

INSURANCE IS PUBLIC BENEFactor No. 1

THE WASHINGTON NATIONAL
serves under and with this benefactor of humanity by protecting the public with the following complete lines of

Life, Accident and Health Insurance:

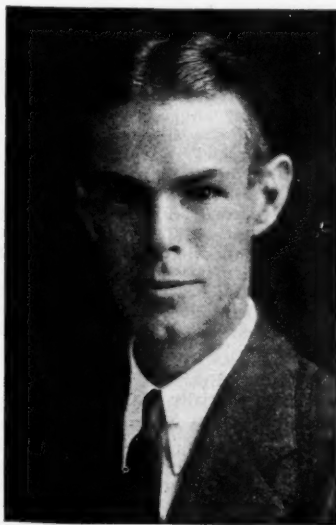
Ordinary Life	Intermediate Life
Industrial Life	Industrial Accident
Commercial Accident & Health	Monthly Accident & Health
Industrial Accident & Health	Group Accident & Health
Automobile Accident (Personal)	Newspaper Accident Insurance
Railroad Installment and Franchise	

The Washington National is an Old Line Legal Reserve Company doing business from the Atlantic to the Pacific and from Canada to the Gulf. During 1935 it had a Premium Income of \$5,805,-658.51.

1911 - SILVER JUBILEE YEAR - 1936

The Washington National is now celebrating the completion of twenty-five years of highly successful service to the insuring public.

Tells How Claim Man Can Assist Agent, Underwriter



R. K. METCALF

R. K. Metcalf, head of the claim department of the Connecticut General Life and president International Claim Association, in his talk before the Health & Accident Underwriters Conference showed how the information obtained by claim men could be used to advantage by other departments.

Three and One-Half Million Dollars Paid In Benefits During Thirty-one Successful Years

Mutual Assessment Health and Accident
Protection for Select Risks Only

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

2550 Pillsbury Avenue
Minneapolis, Minnesota

PAUL CLEMENT
Secretary

*There's a reason
for our Agents staying...*

Many of them have been with us more than twenty years. Our liberal contracts and friendly Home Office aid keep them satisfied.

COMPLETE ACCIDENT & HEALTH COVERAGE

The OLD LINE LIFE
Insurance Company of America
MILWAUKEE, WISCONSIN

there some businesses were closed down and literally washed up for good. On this trip he notices a considerable amount of activity in one location and a sign says that on or about July 1 the Blank Company will open a factory there. That is important. He files a memorandum of this on his return, and some enterprising agent with that information will find out who the principal is, and he has a lead for business insurance, group insurance, or individual accident coverage.

"Take the case of our man working in a metropolitan area where there are large apartment houses. On his way to investigate an active claim, he passes one such apartment with a sign displayed which says that the Blank Company is installing an air-conditioning system. That means a nice piece of business with its commissions to the distributor. He makes a note of this and it isn't hard to find the man who has received credit for the sale. He is a prospect. New business, changes in the management of old ones, expansions and those who benefit through them, all have come to the attention of your peripatetic claim man. These are leads if directed into the right channel. They are available to any agent who may see what he sees, but the point is that not all agents of all companies pass by the same places, and what interests us is the production of our company's agents.

Find Whether Present Cover Is Fundamentally Sound

"There is another angle to the story which is perhaps of even more practical importance. It is certainly directly linked with existing business. Day after day your claim people see your policyholders. They talk with them, they investigate them. In this way they quickly learn whether or not present coverage is fundamentally sound. If a risk has been sold a packaged policy, he finds it out. Perhaps with the information now available this policyholder is a good prospect for some programmed insurance, as most claimants are good risks to continue. A single man with weekly indemnity only may have married and need principal sum protection. A man retired from active business should have principal sum but no weekly indemnity. Changes in earnings call for readjustments in the amount of indemnity required. Changes in occupation necessitate a reconsideration of an earlier program. If your claim representative views these obvious facts as underwriting and sales material, there is an immediate advantage to the organization. In such instances it is my belief that the soliciting agent should participate in the final stages of a claim settlement. He should at least be present when the money is paid so as to have the best psychological opportunity to remodel or supplement his client's accident or health insurance. Do you think these same agents would object to the claim department participating in underwriting if it meant more of an income for them?"

Ex-Presidents on Hand

In view of the fact that this was the 35th anniversary of the conference, President Young had sent out a letter especially requesting all former presidents to attend the meeting if possible. Eight were present at the first session and were given suitable recognition, including E. C. Budlong, Federal Life; C. O. Pauley, Great Northern Life; J. W. Scherr, Inter-Ocean Casualty; W. W. Powell, American Republic; John Patterson, Great Northern Life; C. W. Ray, Hoosier Casualty; George F. Manzelmann, North American Accident, and C. W. McNeill, Massachusetts Accident. Dr. J. R. Neal, Alliance Life, another ex-president, arrived later in the day. W. T. Grant, Business Men's Assurance, was on hand the second day.

E. C. Bowlby, president Fidelity Health & Accident, who is one of the regular conference attendants, was missing this year. He and Mrs. Bowlby are on a trip through Germany.

Reports on Activities of Accident & Health Week



HAROLD R. GORDON
Chairman Accident & Health Week

Harold R. Gordon, executive secretary of the conference, who was chairman of the general committee for 1936 Accident & Health Insurance Week, gave a rather extended review of the work of that committee at the agency session, telling of its organization, the problems it had to meet, the program of activities adopted and the results obtained, with some recommendations for the conduct of future campaigns. In spite of the difficulties encountered, he held that the results were highly satisfactory and predicted much greater success in years to come.

The committee had to break entirely new ground and also had to "sell" the idea of the week to many company executives but many of those who were dubious about the matter this year probably have been convinced of its value. Under the financing plan adopted, companies were asked to contribute from \$50 to \$300 based on their premium volume. The plans adopted called for a budget of \$5,000, but \$6,125 was contributed by 72 companies. All bills have been paid and the committee has a small balance to turn over to its successors.

Limitation of Activities Next Year Recommended

This year the committee put out posters, "bait" booklets, buttons, stickers, blotters, letterheads, press releases for local papers, suggested speeches and animated window displays, all of which were well received. Mr. Gordon recommended, however, that next year it should limit the material put out to posters, buttons and booklets and that it should not bear the burden of merchandising the material. He said the letter contest on "What My Accident & Health Policy Means to Me" accomplished much good, but that sufficient time was not allowed for securing the letters.

Publicity for Business Found Especially Valuable

In reviewing the results of the week, he spoke of its value both in stimulating production and in publicizing the business in general, the latter angle being regarded as probably the most important in the long run.

In introducing him, Chairman Blunt gave high praise to Mr. Gordon and his committee and also to The Accident & Health Review for launching the movement last year.

An interesting exhibit of publicity material in connection with Accident & Health Week, mounted on large cardboard sheets, was on display at the back of the convention hall.

Family Economic Entity: Needs Disability Cover

Dr. S. S. Huebner, professor of insurance in the Wharton school of finance and commerce, University of Pennsylvania, and president American College of Life Underwriters, in his talk on "The Economic Aspects of Accident & Sickness Insurance," emphasized the importance of the family as an economic entity. He grouped families under three classes: First, the family of affluence, where such problems as those arising out of sickness, accident or premature death may be met without occasioning any real discomfort. He showed that only about 2 percent of American families enjoy an income of \$5,000 a year or over or own \$50,000 of wealth, although in the aggregate this small percentage owns 40 percent of the nation's total wealth.

Lists Families of Bare Subsistence, Normalcy

Next is the family of bare subsistence, where accumulated savings are negligible or pitifully small. This group represents nearly 72 percent of American families, 40 percent receiving less than \$1,000 income annually and 32 percent between \$1,000 and \$1,500. Two-thirds of the nation's families possess less than \$3,500 of wealth. Third is the family of normalcy, representing the considerable middle class group. About 5,000,000 of these have incomes of about \$1,500 to \$2,000, 3,000,000 between \$2,000 and \$3,000 and 1,383,000 between \$3,000 and \$5,000. This group, comprising approximately 33 percent of the population, owns about 45 percent of the nation's wealth, but such a family also really exists on the margin of bare subsistence, interpreted in the light of its standard of existence. There is just enough to meet the bare requirements of the normal.

It is clear, therefore, Dr. Huebner said, that 98 percent of American families in the two latter groups are dependent on insurance if the family head is not to resort to the wild gamble of relying solely upon his current earning capacity and his personal resolve to save a competency as the means of meeting his economic family responsibilities. That earning capacity and that personal

resolve to save may be cut short at any time through death or disability.

He pointed out that life insurance alone is inadequate as a program of full protection. "Why should there be indemnity only in the form of life insurance when the accident or disease actually kills," he asked. "Why should there not also be indemnity, in connection with the same accident or disease, to cover the loss of earning power before the big contributor dies, or, what is more probable in the great majority of instances, again recovers?"

Partial "Lost Time" Injuries More Important Than Fatal

In reviewing the extent of the hazard, he cited statistics as to accident losses, stating that the partial "lost time" injuries are even more important

(CONTINUED ON PAGE 48)

Gordon Presents Summary of Past Year's Activities

The holding of group conferences between the annual meetings was suggested by Harold R. Gordon, executive secretary, in his annual report.

"There are many members," he said, "who for some reason or another do not or cannot attend the annual meeting. If during the year a one-day informal meeting could be held in a city easily reached by five or more members in that or immediately adjoining cities, I believe such a conference would be well worth while to those members. The purpose would be to discuss informally without prepared addresses of any kind, current accident and health matters. Meetings might be arranged in Boston or Springfield (10 members located in Massachusetts, Connecticut, and New Hampshire), Omaha (15 members located in Missouri, Nebraska, and Iowa), Cincinnati (11 members located in Ohio and Indiana) and other points serving other groups. Such one-day conferences would enable many conference members located in the same geographical area to contact each other and benefit by the exchange of information and ideas during the year."

Wide Variety of Activities Carried on

The report covered the work done by the headquarters staff in connection with Accident & Health Insurance Week, holding that the conference has been repaid through the widespread publicity and stimulation of public interest in accident and health insurance, the statistical work of the office, legislative developments of the year, the situation under the social security act, distribution of primers and the Underwriting Handbook, prepared by the educational committee under the direction of C. H. Munsell, Monarch Life, the favorable reaction to the new conference manual, the activities of the executive secretary in connection with various insurance conventions and establishing closer contact with the insurance departments. In the latter connection reference was made to the difficulty of preparing one policy form that will meet with approval in all of the 48 states, but strong opposition was expressed on any suggestion for a standard accident and health contract, which has been proposed as a remedy for this condition.

Sam C. Carroll, Mutual Benefit Health & Accident, newly elected chairman of the executive committee, was receiving congratulations on entering the grandfather class.

TRAINING COUNTS

One successful agent who attended a Monarch sales school this Winter said:

"I have learned more in these classes than in my past three years in the field selling business."

His record of sales in the two months following completion of the course proves that it makes good producers better.

MONARCH LIFE INSURANCE COMPANY

Springfield, Massachusetts

Life — Accident and Health Insurance

• • • • •

WE have been told by those who are in no way prejudiced that we "do more" for our salesmen than any other company. Needless to say that doing more includes the most complete line of Accident and Health Insurance covers anywhere to be found.

Woodmen Accident Company
Lincoln, Nebraska

46th Successful Year

Greetings from Other Groups

At the opening session, recognition was given to representatives of other insurance organizations, who extended greetings from their groups, including E. H. O'Connor, United States Casualty, Bureau of Personal Accident & Health Underwriters; Col. C. B. Robbins, American Life Convention; Lee N. Parker, American Service Bureau, and John J. King, Hooper-Holmes Bureau. H. A. Cunningham of Cleveland, newly elected president of the National Accident & Health Association, was present at the afternoon session and was introduced at that time. R. K. Metcalf, Connecticut General Life, president International Claim Association, arrived Wednesday night.

Memorial Resolutions Adopted

Memorial resolutions were adopted, paying tribute to members of the conference who have died since the last meeting, including C. S. Drake, Empire Life & Accident; H. E. Rex, Iowa State Traveling Men's; George S. Galloway, Great Northern Life, and C. L. Tebbets, Massachusetts Indemnity.

Skit Is Feature

One of the interesting features of the agency management session was the dramatic skit, "Be Your Own Boss," which depicted very graphically the right and wrong way of hiring and managing men so as to get the best results along the line of production.

1886—A HALF CENTURY OF SERVICE—1936

The North American Accident Insurance Co.

209 So. La Salle St., Chicago, Illinois

Oldest and Largest Company in America Writing Accident and Health Insurance Exclusively

**District Managers and Representatives
WANTED**

Geo. F. Manzelmann, Vice President

A GOOD YEAR TO CONNECT
WITH A GOOD COMPANY

Accident and Sickness Insurance

**Over
44 Years
of Service**

BROADER COVERAGE

BETTER SERVICE

Agents Wanted in Wisconsin and Michigan

The Time Insurance Company

SECURITY BUILDING

MILWAUKEE

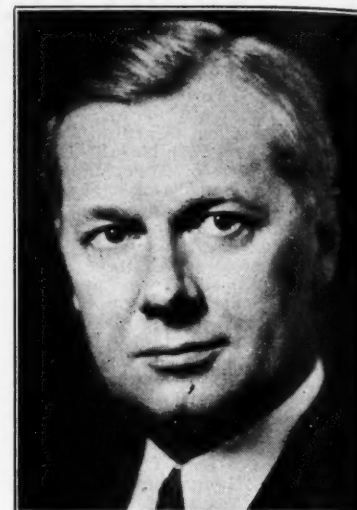
*C. G. TRAPHAGEN,
President*

*JOHN A. KEELAN,
Sec'y and Agency Mgr.*

Preside at Special Sessions



J. W. BLUNT
Chairman Agency Management Session



THOMAS WATTERS, JR.
Chairman Legal Session

Agent's Relation to Company Is Topic at Legal Session

The general theme of the legal session, which for the second year was given an entire half day on the conference program, was "Relation of Agent to Company." In opening the session Chairman Thomas Watters, Jr., of Des Moines, general counsel Inter-State Business Men's Accident and chairman of the legal committee of the conference, said that the basic idea of these legal sessions was the presentation of practical material of interest to executives generally. Before getting into the regular program, he read the text of the investigation resolution introduced in Congress by Representative Cannon of Wisconsin. Such features as the declaration that the insurance companies dominate the courts, legislatures and bar associations, and that only a federal investigation can be effective, caused a ripple of laughter, but Mr. Watters declared that it is a symptom of unrest, which must be guarded against.

Two Notable Addresses Presented at Session

Two notable addresses were presented at the session. That by H. N. Lukins, general counsel Washington National, was a broad presentation of general legal principles, primarily for the benefit of non-legal executives, while the pa-

per by J. F. Kutak, home office counsel, Federal Life, made an exhaustive survey of the decisions bearing on the points under consideration. Mr. Kutak was unable to be present on account of illness, and his paper was read by S. D. Tilney, Mutual Casualty of Chicago.

Mr. Lukins, whose topic was "The Agent—His Relation to His Company in the Solicitation of Business," referred to the general principle that the company is charged with the acts of its agents and with knowledge of any information that is given to the agent, and said that the difficulties created by this condition cannot be obviated by any policy provisions or new policy forms, but only by improvement of the agency organization. He characterized that as the biggest problem which confronts the business as a whole.

Agent Most Important Factor in Business

He declared that the agent is the most important factor in the business so far as the public is concerned. He carries the company's reputation, and makes it better or worse. He can build the business so that no one can shake it, but immense liabilities may be piled up against the company by either weak or indifferent soliciting agents. In all too

THE HOOSIER CASUALTY COMPANY

INDIANAPOLIS, INDIANA

An Indiana Company and a Stock Company Writing

ALL COVERAGES ON AUTOMOBILES AT LIBERAL PREMIUM RATES

Also

ALL FORMS OF HEALTH AND ACCIDENT INSURANCE

CAPITAL \$250,000.00

ASSETS \$866,000.01

GOOD CONTRACTS TO REAL PRODUCERS

many cases agency appointments are carelessly made and the agents sent out without impressing on them their responsibility in this respect. He pointed out that the volume of litigated cases in any particular district is not in proportion to the business in that district, but in inverse proportion to the intelligence and integrity of the soliciting agent. In connection with the subject of litigation, he said that an adverse decision does not always serve the company adversely. Some such decisions, which point out weaknesses that should be remedied, are constructive and help the business as a whole. In summing up, he said that more care, more precision and less litigation should be the goal.

His talk was discussed by C. R. Holton, general counsel Great Northern Life; E. A. McCord, president Illinois Mutual Casualty, and J. M. Powell, president Loyal Protective, both of whom took up the problem from the administrative rather than the legal standpoint.

Degree of Responsibility for Agent's Acts Varies

Discussing "The Agent—His Relation to His Company in the Acceptance of Premiums and the Handling of Losses," Mr. Kutak said on the first point that the degree of responsibility for an agent's acts depends on the extent of his authority and in general the extent of authority seems to diminish as decisions pass from the general agent to the soliciting agent and then to the broker.

In reviewing cases involving the question of acceptance of premiums, Mr. Kutak said that if the cases are correctly reported, "the instructions to the agent appear so indefinite, or the agent is permitted to go on his business with so little supervision, it is small wonder the courts resolve the doubts in favor of the policyholder. I offer the suggestion that it might be a good idea to establish a clinic jointly for adjusters and agents so that there would be a greater harmony as to the ends of insurance."

On the question of the acceptance of premium notes, the tendency is to hold the company liable wherever possible. Some courts entirely disregard the distinction between "cash" and a "note" while others hold that the words have entirely different meanings and cannot be used synonymously in insurance terminology.

As to the handling of losses, he said this is more of an administrative than a legal problem, as there are very few cases reported involving the agent in this relation. He suggested that it might be a good thing for the claim department to spend some time training its agents in the interpretation of policy terms, which might lead to a better understanding between departments.

Prizes for Golf Winners Are Awarded at Banquet

The principal feature of the banquet, which brought out the largest attendance of any in recent years, was the presentation of the golf prizes by Dr. J. R. Neal, Alliance Life, former conference president.

The Brackett cup, for low net score, was awarded to E. A. McCord, Illinois Mutual Casualty. Low gross winner was A. N. Hepler, Jr., Income Guaranty; second low gross, R. L. Spangler, Woodmen Accident; third, C. A. Sholl, Globe Casualty; blind bogey, D. A. Sherman, National Travelers Casualty; F. B. Ahara, Benefit Association of Railway Employees, and J. M. Penrith, United of Chicago; consolation, A. D. Johnson, United, and L. J. Adelman, National Travelers.

A notable entertainment program was presented, a considerable part of the talent being from the conference ranks.

E. C. Edmunds, Fidelity Health & Accident, was welcomed back to his old post as song leader. President Young presided.

Tremendous Losses Due to Lapsation

Munsell Says Conservation Work Should Be Primarily Preventive in Character

RESULT OF SURVEY TOLD

Causes of Policy Lapse Analyzed and Constructive Suggestions Presented in Address

The tremendous losses sustained by accident and health companies through lapsation, with some practical suggestions for improving the situation in that respect, were reviewed by Charles H. Munsell, vice-president Monarch Life, in his talk on "Creative Conservation," at the annual meeting of the Health & Accident Underwriters Conference. He pointed out that lapses not only cost money but add to the difficulty of selling business. The actual cost can only be estimated. In 1935 total annual accident and health premiums were reported as \$172,000,000. From the best figures available it appears that lapses for the past five years have been close to \$250,000,000. A company's net investment in new business—the initial deficit when it is placed on the books—is estimated at about one quarterly premium, which would mean an investment in this lapsed business of about \$60,000,000.

Loss in Prestige and Good Will Even Greater

If even one-quarter of the lapse could be prevented, it would result in a possible saving of \$15,000,000 in surplus over the next five years. The loss in prestige and good will caused by this excessive turnover may be even greater. "Is any man a booster for accident and health insurance who once held a policy and dropped it?" Mr. Munsell asked. "Is there any asset value in our former policyholders? Is our job of building business any easier because of the huge number of citizens who have paid one premium and no more?"

In analyzing the causes of this huge annual turnover, he pointed out three evident causes for lapses: Confusion in the public mind, often due to the stressing of frills and talking points instead of the basic need for sound salary replacement; indifference on the part of policyholders, due in part at least to the fact that the benefits of continuous protection are often intangible, and a helter-skelter scramble for business on the part of companies and agents.

Query 1,000 Policyholders as to Reason for Lapses

A lapsed policy, he said, means one thing—dissatisfaction. To find out where and how the dissatisfaction has arisen, the Monarch Life obtained statements from 1,000 policyholders who had discontinued within the past six months, as to the reason for their lapse. This survey showed that 829 lacked appreciation of the need, 634 were not satisfied with the policy, 18 were not sold on the company, 55 were not tied in with the agent, 64 were "lost" for an unknown cause.

Two things stand out in the analysis, Mr. Munsell said: (1) That the majority of lapses can be attributed to a lack of appreciation of need for the protection; (2) that the conservation problem is a selling problem. Those who lapse have become unsold.

"The fact that lapses involve the need factor is encouraging," he added. "It

(CONTINUED ON PAGE 48)

1883

1936

MASSACHUSETTS ACCIDENT COMPANY

87 Kilby Street

BOSTON, MASSACHUSETTS

Chester W. McNeill
PresidentWesley M. Roe
Mgr. Ord. Dept.

The oldest company in the United States confining its business entirely to everything that is honest, reliable, powerful and complete in sickness and accident insurance and, always maintaining an undimmed reputation for fulfilling all its obligations to policyholders of the Company.

Agency openings in several states. Attractive, up-to-the-minute policies. Liberal commissions. Real Service to policyholders and agents

Accident Life Health

UNITED INSURANCE COMPANY

(Founded in 1919)

2721 South Michigan Avenue, Chicago

ISSUING

INDUSTRIAL ACCIDENT AND HEALTH INSURANCE
INDUSTRIAL LIFE INSURANCE
MONTHLY PREMIUM ACCIDENT AND HEALTH INSURANCE
COMMERCIAL ACCIDENT AND HEALTH INSURANCE
GROUP ACCIDENT AND HEALTH INSURANCE
ORDINARY LIFE INSURANCE

Invites Correspondence from Producers

SPECIALISTS

in

ACCIDENT and HEALTH INSURANCE

Since Organization—1887

Up-to-date Policies—Liberal Commissions
Open territory available

United Casualty Company

Westfield, Massachusetts

Attendance Sets New High Record

(CONTINUED FROM PAGE 25)

aroused great interest, not only among the men connected directly with those two departments but among executives generally.

Although he appeared on the last day of the meeting, one of the largest crowds of the entire session turned out to hear Dr. Huebner's talk. Special invitation had been sent to all members of the Chicago Association of Life Underwriters, because of Dr. Huebner's outstanding prominence in the life insurance field, and many of them responded to the invitation. Possibly because of this additional attendance, he interrupted his prepared address at several points to include additional life insurance material.

Speaking on "The Economic Aspects of Accident and Sickness Insurance," Dr. Huebner emphasized especially the status of the family as an economic entity and the necessity for protecting this "family business" just as much as the business from which a man derives his

livelihood. He criticized the feeling which has become quite prevalent in recent years that the savings which were wiped out by the depression might as well have been spent; that the thing to do is to live in the present and let the government take care of the rest.

Life, Accident-Health, Described as Teammates

He pointed out the close relation between life insurance and accident and health insurance, describing them as teammates and stating that either one alone fails to meet the entire need. He strongly deprecated the idea advanced by some life insurance men that the face value of a policyholder's life insurance would be sufficient to carry him through any emergency caused by accident or illness. He said that these cash values should be left undisturbed and that the records show that three out of four cases of borrowing on these values lead to lapse.

After referring to the difficulties encountered by the life companies in writing the permanent and total disability form, he declared that from an economic standpoint such protection is a necessity for the American family, that the companies will have to solve the problem in some satisfactory manner, and that he is very hopeful that a basis can be found on which this business can be written.

Dr. Granville Closing Speaker on House Organs

Dr. W. A. Granville, Washington National, was the other scheduled speaker at the closing session, on "House Organs." He took up such points as frequency of issue, size and number of pages, contents and arrangement of material. On the question of how often a house organ should be issued, he said that with a company doing weekly business it should be once a week and with other classes at least once a month. He said that some of these companies, however, find it more helpful to issue their house organs semi-monthly or weekly.

He favored the letterhead size, 8½ by 11 inches, listing some of the reasons for preferring it, and said there should be at least four pages, with eight as a good average, except for special issues. He said the agent will not read a bulky house organ and that it would be much better to put out a small issue every week or two than a big one once a month. He emphasized the importance of good appearance, that will make a favorable impression on the readers, and of having the material arranged the same way in every issue, so that any particular feature can be easily located.

As to the material to be printed, he said a consensus seems to indicate the desirability of: (1) Bulletins showing the rankings of leading agents and agencies; (2) inspirational articles, never long; (3) articles on canvassing, collecting, and the art of salesmanship; (4) claim testimonials; (5) illustrations—brightening up the pages with pictures, cuts or drawings; judicious use of humor, poems and other general material.

New H. & A. Chief Proven Executive

(CONTINUED FROM PAGE 25)

with his brother, Harry R. Kendall, launched the Washington Life & Accident at Springfield, Ill., the following year. He built up personally the first five debits that were established, all in southern Illinois.

By 1917 the business had expanded to such an extent as to warrant the removal of the home office to Chicago. In 1926 it was merged with the United States National of Chicago, which was a subsidiary of the National Life, U. S. A., and the Fidelity Life & Accident of Louisville as the Washington Fidelity National, Mr. Kendall becoming president of the combined company. A few years later the name was shortened to Washington National.

Starting from scratch in 1912, he has brought the company up to a point

where its premium income was close to \$6,000,000 last year, operating in every state except New York and South Carolina. He has long been active in conference affairs and also one of the leading figures in the Industrial Insurers Conference, having served that organization as vice-president, president and chairman of the executive committee.

Carroll Chosen Chairman of Executive Committee

Sam C. Carroll, vice-president Mutual Benefit Health & Accident, who was elected chairman of the executive committee and thus put in line for the presidency next year, according to the precedent followed in conference elections for many years past, has been with the home office of the Omaha company for 13 years and has been very active in conference affairs all through that period. He is personally one of the most popular men in the organization. He was formerly a resident of Kansas and was connected with the Kansas insurance department prior to joining the Mutual Benefit.

John M. Powell, president Loyal Protective, who becomes first vice-president, has already held various executive positions and has done some valiant work for the conference. A. E. Faulkner, president Woodmen Accident, and E. A. McCord, president Illinois Mutual Casualty, named as second vice-president and secretary respectively, are among the younger conference members who have shown a willingness to take their full share of responsibility.

Three New Companies Admitted to Membership

The nominations were presented by J. S. Irish, Iowa State Traveling Men's, chairman of the nominating committee, which also included H. A. Woodward, Old Line Life, and C. W. McNeill, Massachusetts Accident. After the election, George Manzelmann, North American Accident, former conference president, and J. H. Torrance, Business Men's Assurance, who was just retiring as first vice-president, were designated as the official escorts and ushered up to the platform in turn all of the newly elected officers who were present.

Three additional companies were admitted to membership at this meeting, the Commercial Travelers Eastern Accident of Boston, General American Life and Lincoln National Life. At the beginning of the conference year there were 83 active members. Since that time one company has been admitted to membership, in addition to the three applications acted on at this time, and two companies dropped, making the

present membership 85. Several other companies, not now members, have indicated an interest in conference activity and further extension of membership is expected the coming year.

Harold R. Gordon, executive secretary, was again designated to represent the conference on the 1937 Accident & Health Insurance Week committee.

Selection of the next meeting place was left, as usual, to the executive committee and will probably be decided at its mid-year meeting.

Send 10 cents for Insurance Test Selling Plan. F. C. & S. Bulletins, 420 E. 4th St., Cincinnati.

ACCIDENT and HEALTH

PLUS

Medical Expense Protection

For Employed Men and Women

26 Years of unparalleled Claim Service

Territory open in Illinois, Indiana, Michigan, Wisconsin and Missouri.

ILLINOIS MUTUAL CASUALTY COMPANY

Home Office — Peoria, Illinois

E. A. McCord President
C. C. Inman Vice Pres. & Agency Director

TO A CLERGYMAN ALWAYS SAY:

"The Ministers Life and Casualty Union of Minneapolis offers sound Life, Health and Accident Insurance at Bottom Cost."

Incorporated 1900

The Ministers Life and Casualty Union Minneapolis

MELL W. HOBART, Secy.

W. G. CALDERWOOD, Treas.

We feel it our duty to provide our Sales Force with policies to fit the needs of ALL KINDS of prospects—and then to encourage and help them to sell business in adequate volume.

Great Northern Life Insurance Company, Chicago

A • DIRECTORY • OF RESPONSIBLE INDEPENDENT ADJUSTERS

ARIZONA

Lyle Adjustment Co., Inc.
Home office Ellis Bldg. PHOENIX
Branch office Central Bldg. TUCSON
Casualty—Surety—Inland Marine—Fire
Health Accident—Life Investigations
Representing over 40 companies.
General Service All Lines.

CALIFORNIA

J. P. McHALE & CO.
General Adjusters
for Insurance Companies
1031 South Broadway
LOS ANGELES, CALIFORNIA
Representing 45 insurance companies—
All Lines.
Since 1915

R. F. SCHELL

258-59 Wilhoit Bldg.
Stockton, California
Black Bldg.
Modesto, California
Adjustment of all lines for insurance companies. Specializing in automobile and casualty.

F. H. NOTTBUSCH

Commonwealth Building
San Diego, California
Now Representing: Loyalty Group, St. Paul
Mercury Ind. Co., London Guar. & Acc.,
Lumbermen of Chicago, American Motor-
ists, General Group of Seattle and many
others. 15 years staff man in Home Office.

DIST. OF COLUMBIA

NICHOLS COMPANY
INSURANCE ADJUSTMENTS
Representing Companies Only—All Lines
Woodward Building, Washington, D. C.
Mutual Building, Richmond, Va.
110 W. Pall Mall St., Winchester, Va.
Title Building, Baltimore, Md.
Prompt and Efficient Service Since 1921

ILLINOIS

C. G. EBERTH & CO.
ADJUSTERS
All Branches
Fire, Automobile—Casualty—Marine
330 So. Wells St.
CHICAGO

THOMAS T. NORTH

ADJUSTMENT COMPANY
Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
Inland Marine, Burglary
175 W. Jackson Blvd. CHICAGO Harrison 3238

M. J. O'BRIEN & COMPANY

Adjusters
All Casualty Lines
Insurance Exchange
Chicago

Established 1899

WHITNEY & MILLER

ADJUSTMENTS
175 W. Jackson Blvd. CHICAGO

J. L. FOSTER

314 First National Bank Bldg.
Springfield, Ill.
Fire - Automobile - Casualty

INDIANA

Indiana Adjustment Company
Home Office, 130 E. Washington Bldg.
Indianapolis, Ind.
Fire, Cargo, Automobile, Collision, Theft,
Single Interest and Allied Coverages
Resident Adjusters at
Evansville, Fort Wayne, Gary, Indianapolis,
New Albany, South Bend, and Terre Haute.

Indiana Casualty Claim Service

Home Office, 130 E. Washington Bldg.
Indianapolis, Ind.
Personal Injury, Property Damage, Compens-
ation, Health and Accident, General Lia-
bility, Surety and Inland Marine.
60 Offices—Day and Night—One Hour Service
Anywhere in Indiana.

Eugene McIntire

Adjustment Co., Inc.
Automobile, Casualty, Compensation and
Surety Adjustments
Eight, East Market Street
INDIANAPOLIS

Foley Adjustment Bureau

200-201 Union Trust Bldg.
South Bend, Indiana
Specializing in automobile and casualty claims.
Immediate service. NORTHERN INDIANA and
SOUTHERN MICHIGAN.
Representing the companies for over 10 years.
Phones: Office—3-9712. Night—3-8522, 3-2287.
3-2038.

KENTUCKY

J. H. HARRISON, INC.

General Adjusters
Head Office: Starks Bldg.,
Louisville, Ky.
Specialists on Automobile Finance Accounts
Fire, U. & O., Automobile, Casualty

MARYLAND

NICHOLS COMPANY
INSURANCE ADJUSTMENTS
Representing Companies Only—All Lines
Title Building, Baltimore, Md.
Woodward Building, Washington, D. C.
Mutual Building, Richmond, Va.
110 W. Pall Mall St., Winchester, Va.
Prompt and Efficient Service Since 1921

NEBRASKA

J. H. BALL

Independent Adjusting Office
GROWING CROPS HAIL LOSSES
FIRE, WIND, AUTOMOBILES
Twenty Years Experience
Grand Island, Nebraska
P. O. Box 815 Phone 1573

JUDD W. CROCKER

CLAIM DEPARTMENT
Grain Exchange Bldg.
Stuart Bldg. First National Bank Bldg. Trapp Bldg.
LINCOLN GRAND ISLAND NORTH PLATTE

NEW JERSEY

Alexander & Hoffman, Inc.
Insurance Adjusters for the Companies
NEWARK—40 Clinton St.—NEW JERSEY
CASUALTY—AUTOMOBILE—
ALL CLASSES
Twenty Years' Experience.
Covering New Jersey, New York City and Suburban.

NEW YORK

BARTH & RAY

522-528 M & T Building
Buffalo, New York
Attorneys
Facilities for Investigations, Adjustments and
Trial work over Western New York.

NORTH CAROLINA

GAY & TAYLOR, INC.

Insurance Adjusters
Home Office
833-4 Wachovia Bank Building
Winston-Salem, N. C.
Branch 501, Security Bank Bldg., Greensboro, N. C.
Branch 715, First Nat'l Bank Bldg., Charlotte, N. C.
Branch 813, Central Union Bldg., Columbia, S. C.
represent 75 insurance companies.
Casualty, Automobile, Surety, Fire, Inland Marine.

OHIO

M. M. WELSH

With associate staff and legal service.
1216 First National Bank Bldg.,
CINCINNATI, OHIO
Phone Parkway 1896—Night & Holidays East 3999
General Adjusters for the Companies
Operating throughout Ohio, Northern Kentucky and
Southeast Indiana.

JOHN H. McNEAL

502 Auditorium Bldg., 1367 E. Sixth St.
CLEVELAND
Phone Main 1926
Attorney-at-Law
Facilities for Investigations, Adjustments and
Trial work over Northern Ohio

Frank S. Pelton

Fire, Automobile, Windstorm
Twenty Years Company Service
Territory Covering Northern Ohio
Day or Night Phone Republic 1259W
9412 LAMONT AVE., CLEVELAND, OHIO

OKLAHOMA

Davidson & Krueger

1622-23 Petroleum Building
Oklahoma City, Oklahoma
Formerly staff adjusters. Members of
Oklahoma Bar

OREGON

J. B. PFOUTS

607 Board of Trade Building
Portland, Oregon
Adjusting and investigating all automobile
and all casualty and surety claims.
Member Oregon Bar

The NATIONAL UNDERWRITER Co.

A1946 Insurance Exchange
Chicago

J. O. Cartwright,
Circulation Manager:

Put me down for a subscription to the publication(s) checked
above, at the rate of \$.....per year, with the understanding that
it/they may be discontinued at any time on a pro-rata basis with
refund of amount unearned.

Name

Company Title or Position.....
(Please fill in)

Address

City State.....

Start Now—Stop Any Time—You Take Absolutely No Risk

TENNESSEE

Raymond R. Ramsey

Volunteer Bldg.
CHATTANOOGA
Fire, Tornado and Inland Marine... Public
Liability... Property Damage... Auto-
mobile, Fire, Theft, and Collision... Serving
Tennessee, North Georgia and North Alabama

HUTCHISON & McKELVY

1113 Independent Life Building
Nashville, Tennessee
Serving Tenn., Ky., Ala.
Prompt, Efficient. All lines.

TEXAS

ALTON E. STEWART

Member Texas Bar
Republic Bank Building
Dallas, Texas
Practice before Industrial Accident Board and In-
surance Commission at Austin.
Settlement Claims trial insurance.
Cases State Federal Court.

WASHINGTON

E. R. WILKINS J. A. MILOT
WILKINS AND MILOT
—Investigations and Adjustments—
Automobile and All Casualty Lines
Specializing in Liability Claims
Members Washington Bar Association
410 INSURANCE BUILDING SEATTLE

WISCONSIN

Nurnberg Adjustment Co.

General Adjusters
Fire, Windstorm, Hail, Automobile, Casualty,
and Inland Marine
Underwriters Exchange Bldg.
MILWAUKEE
828 N. Broadway Phone Daily 5428
BRANCH OFFICE ANTIGO

JOSEPH RICE & CO.

INVESTIGATIONS & ADJUSTMENTS
ALL CASUALTY LINES
A. M. Rice, Mgr., Milwaukee Branch
Milwaukee Office Chicago Office
691 Guaranty Bldg. 958 Ins. Exch. Bldg.
Phone: Daily 0664 Phone: Harrison 8666

- | | |
|--|--------------------|
| <input type="checkbox"/> The Natl. Underwriter—(Fire and Cas.) | Single Rate \$4.00 |
| <input type="checkbox"/> The Natl. Underwriter—Life Ins. Ed. | 3.00 |
| <input type="checkbox"/> Fire Protection | 1.00 |
| <input type="checkbox"/> Accident & Health Review | 2.00 |
| <input type="checkbox"/> The Casualty Insuror | 2.00 |
| <input type="checkbox"/> Industrial Salesman | 1.00 |

UNITED STATES FIDELITY AND GUARANTY COMPANY

BALTIMORE MARYLAND
(A Stock Company)

FIDELITY BOND

(Individual)

No. _____
The UNITED STATES FIDELITY AND GUARANTY COMPANY, will reimburse

to the extent of _____
or property, including money or property for
honest or criminal act committed during the course
of service of _____

in any position and at any location.

This insurance, which commences on the date of issue, is subject to the following conditions:

1.—The insurer's liability shall not exceed the aggregate the largest amount of insurance hereunder in force at any one time. In no event shall the insurer's liability be cumulative, even though this insurance continue from year to year, more than one premium be paid, increased or decreased be made in the amount of insurance, or the employee occupy more than one position.

2.—Loss must be discovered before the expiration of three years from any termination of this insurance. The insurer must be notified within fifteen days of the discovery. Within three months after discovery, proof of loss must be filed with the insurer in itemized form sworn to. The insurer shall have the privilege of examining all records and evidence pertaining to the loss. No suit to recover for loss shall be brought after the expiration of three months from filing of the proof. Any limitations if void under the law applicable.

Signed, sealed and dated this _____ day of _____, 19____

UNITED STATES FIDELITY AND GUARANTY COMPANY

MERCANTILE FIDELITY

1936 Model

THE United States Fidelity and Guaranty Company announces revised Mercantile Fidelity Bond forms.

The new forms supplant those which have been in general use for many years. They should appeal strongly to employers because of their brevity and freedom from technical verbiage.

The introduction of these revised Mercantile Fidelity forms offers a real opportunity for greater development of this profitable business, which remains on the books of the agent or broker year after year.

U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY COMPANY

with which is affiliated

F. & G. FIRE

FIDELITY & GUARANTY FIRE CORPORATION

Home Offices: BALTIMORE

Originators of the Slogan:

"Consult your Agent or Broker as you would
your Doctor or Lawyer."

The National Underwriter

June 11, 1936

CASUALTY AND SURETY SECTION

Page Thirty-five

High-Low Plan Is Favored by Hobbs

Retrospective Scheme Is Attempted to Meet Difficulties of Experience Rating

REPORT MADE AT ST. PAUL

National Council Man Refers to Improved Compensation Experience, Harmony with Commissioners

ST. PAUL, June 10.—The feature in the report of C. W. Hobbs of the National Council on Compensation Insurance to the meeting of the National Association of Insurance Commissioners which is attracting the most attention is his comment on the retrospective rating plan.

The retrospective plan, he observed, is the latest move in a series of endeavors to rectify several difficulties with the present rating scheme as applied to large risks.

The experience rating plan, he said, has not balanced. There has been an excess of credits over charges because the larger risks have an experience better than the average reflected by the manual rates. This difficulty, according to Mr. Hobbs, has entailed a complication of both the experience rating plan and the rating system in order to provide the needed offset.

Lag in Experience Rating

The experience rating plan, he declared, fails to respond quickly to a sincere and effective effort on the part of the insured to improve conditions in his plant. That is the strong point of a system of schedule rating, which gives an immediate rate differential for compliance with standards. Unfortunately, he said, schedule rating was too limited in scope to afford real relief.

The general rating plan, whereunder expenses are charged in the form of a percentage loading does not distribute the expense burden equitably. General expense, payroll audits and inspection and bureau costs do not vary with the premium. The cost of issuing and servicing a policy entails a certain minimum cost whether the premium be \$12 or \$12,000. While some additional cost is entailed as the risk increases in size, the increase is in no way proportional to the increase in premium. The present system therefore is designed to carry the little risk at the expense of the big one. The premium at the smaller ranges does not yield anywhere near enough to compensate the carrier for issuing and servicing the policy.

This fact tends to cause the larger risks to drop out of the system and look out for themselves. It creates a temptation for companies to specialize on the larger risks, skimming the cream of the business and leaving the unprofitable residue to others. The non-stock carriers

(CONTINUED ON PAGE 47)

Rates on Bank Robbery in Many States Are Reduced

CUT 20 PERCENT IN PREMIUM

Favorable Loss Experience Due to National Vigilance of Peace Authorities Main Cause

NEW YORK, June 10.—An annual saving of approximately \$250,000 premiums on bank robbery insurance by financial institutions in 35 states is expected to result from the 20 percent rate reduction for the coverage adopted by National Bureau of Casualty & Surety Underwriters effective June 8. This is the first revision of rates on bank robbery cover in more than two years.

Favorable loss experience which made possible the reduction was ascribed to two primary causes: "Operation of a rule promulgated two years ago requiring banks to keep 85 percent of insured money under delayed time-lock, increased activities of law enforcement agencies, particularly the U. S. Department of Justice, in making bank robbery an increasingly undesirable business for criminals."

While recognizing these factors underwriters warn banks against relaxing vigilance in protecting property, for there has been an increase in night time vault burglaries.

The rates revisions do not apply to the New England states, New York, Pennsylvania, Delaware, Virginia, West Virginia, Maryland or the District of Columbia, in all of which loss experience remained practically unchanged. Because of increased number of losses in Florida, Georgia, Kentucky and the Carolinas, an advance in rates was found necessary. Other changes in the burglary manual noted by the Bureau include:

The discount for securities insured under bank burglary and robbery and safe deposit box policies has been increased from 25 percent to 30 percent, having justified this action it being believed development of this business will be encouraged.

In the mercantile open stock section a rule has been inserted permitting deletion without charge of that section of the "exclusion clause" in the standard mercantile open stock policy reading "of merchandise, furniture, fixtures and equipment encumbered by a chattel mortgage." With this revision the chattel mortgage exclusion has now been removed from all burglary policies.

In the robbery section the minimum premium for the combination blanket robbery and safe burglary policy for credit unions has been reduced from \$15 annually to \$10.

Rates for the all risk safe deposit box policy, covering securities only, have been cut in half by the National Bureau. Under the new rules, the rate is \$1 per \$1,000 for the first \$500,000 of insurance, 75 cents per \$1,000 for the next \$500,000 and 50 cents per \$1,000 for the excess over \$1,000,000. A minimum premium of \$25 has been prescribed. Previously there was no minimum.

(CONTINUED ON PAGE 47)

Palmer Enforces Another Provision of Illinois Law

SURETY COMPANIES AFFECTED

No Risk May Be Accepted in Amount Greater Than 10 Percent of Paid-Up Capital

NEW YORK, June 10.—Despite the annoyance to which most casualty-surety companies in Illinois will be subjected through the determination of Insurance Director Palmer to enforce compliance with the law limiting the amount a company may write upon a single risk to 10 percent of its capital, executives will not contest his position. The laws of most states permit companies to accept individual risks up to 10 percent of combined capital and net surplus, and where covers beyond the capital limitation were issued in Illinois it was under the impression that such provision obtained there. The coverages particularly affected are burglary, contract bond, and bankers blanket lines.

Insurance Director Palmer of Illinois has created a new problem for the surety people in that state by informing companies he will hereafter enforce the provision of the laws which specifies that a casualty-surety company may not expose itself on any one risk to an amount greater than 10 percent of its capital, except on steam boiler where the limit is 25 percent. Although the ruling applies to casualty business as well as surety, casualty operations will not be disturbed because very few obligations in the casualty field are for an amount greater than 10 percent of capital.

The principal effect will be on contract bonds, where the companies do become interested to a larger extent than 10 percent of their capital. The federal treasury department regulations provide that a surety company may become interested in a bond running to the federal government in an amount equal to 10 percent of its surplus to policyholders, which is capital plus net surplus.

Never Before Enforced

These provisions of the Illinois laws have heretofore not been enforced and a good many company people did not know that such a limitation existed in the law. Just how the law is to be applied to the United States branches of foreign companies is uncertain. It is understood that representatives of such companies have asked Mr. Palmer for his position in this respect, but that he has been unwilling to give a decision yet. If foreign companies should be limited in their writing capacity to 10 percent of their deposit capital, they would be restricted to a greater extent than a domestic company, because deposit capital is smaller than paid up capital of a domestic company of comparable size. That issue has not arisen in connection with the federal treasury department regulations, because U. S. branches of foreign companies are not eligible to write, except by way of reinsurance.

(CONTINUED ON PAGE 47)

Insurance Days in Pennsylvania Held

Great Crowd Pays Honor to President Kingsley of Penn Mutual Life

REELECT ALL OFFICERS

Banquet With Commissioner Hunt, Merle Thorpe and Others on Program Is Climax

All officers of the Pennsylvania Insurance Federation were reelected at the Pennsylvania Insurance Days gathering in Philadelphia. J. A. Stevenson, home office general agent Penn Mutual Life, was named a vice-president.

A banquet in tribute to W. H. Kingsley, recently elected president Penn Mutual Life, for his services to insurance and his charitable work climaxed the two-day meeting, which was sponsored by the federation. There were fire, casualty, accident and health, and life group meetings.

Some 3,000 agents, field men and company officials, representing every branch and phase of insurance, attended.

Stevenson General Chairman

Nearly 1,000 attended the opening luncheon, Mr. Stevenson, general chairman, calling the convention to order. He extended greetings in behalf of Philadelphia. J. C. Murray, Pittsburgh, past president and member executive committee, Pennsylvania Federation, responded.

At the business session the first day, former Gov. J. S. Fisher of Pennsylvania, board chairman National Union Fire, was unanimously reelected president of the federation.

Pittsburgh, which had the convention in 1935, was selected for the 1937 gathering.

Banquet Climaxes Sessions

At the banquet and dance the head table was filled with heads of Philadelphia home office companies, who with the more than 1,000 persons present vociferously paid tribute to Mr. Kingsley, "not for what he has done for insurance but for what he has done for the community." R. S. Morris, former U. S. ambassador to Japan, expressed the formal tribute. Mr. Fisher, toastmaster, also paid honor to Mr. Kingsley, who was federation president from 1928 to 1931. J. A. Stevenson presented Mr. Kingsley a silver smoking service, gift of the federation. Then Mr. Kingsley presented Secretary-Manager H. W. Teamer of the federation a sterling silver desk pen set.

Governor Earle of Pennsylvania was detained in Detroit, and unable to pay the official tribute, so Commissioner Hunt was the governor's representative.

T. B. Donaldson, associate manager Eagle Fire, Newark, nominated Mr. Hunt as a member of the federation,

(CONTINUED ON PAGE 47)

New York Federation Holds Annual Meeting at Buffalo

LEGISLATIVE YEAR REVIEWED

T. L. Rogers of Rogers & Ash, Little Falls, Named to Succeed McClellan as President

BUFFALO, June 10.—A review of insurance legislation during the last session of the New York legislature was given by L. L. Saunders, executive secretary Insurance Federation of New York, at its annual convention here. Mr. Saunders was reelected executive secretary for the 15th time.

T. L. Rogers of Rogers & Ash, Little Falls, N. Y., was elected president of the federation to succeed J. S. McClellan, Troy, N. Y. Mr. Rogers was a member of the New York assembly from Montgomery county from 1925 to 1928 and was instrumental in the passage of the agents' qualification law. For two years he was president New York State Association of Local Agents and was also secretary for two years.

Other Officers Named

Other officers were as follows: Vice-presidents, F. P. Tucker, Albany; John L. Tiernon, Jr., Buffalo; R. T. Payne, Far Rockaway; G. P. Nichols, New York City; A. J. Young, Albany. Mr. Young is also treasurer. Directors are: Mr. McClellan, L. D. Bates, Albany; Charles Bellinger, New York City; Richard Cary, Niagara Falls; T. J. Graham, New York City; F. L. Greeno, Rochester; John McGinley, New York City; Charles Butler, New York City; C. W. Perry, Elmira; H. E. Maxson and H. L. Jamison, New York City, and Arthur Arnow, Brooklyn.

Executive committee: L. A. Wallace, John Sturn, F. N. Dull, J. R. Garrett and Mr. Graham, all of New York City; Mr. McClellan, H. W. Wadsworth, Syracuse; Mr. Butler, Mr. McGinley, Mr. Bates and W. Potter, Rochester; M. H. Steele, Binghamton; Mr. Jamison, Mortimer Nathanson, Brooklyn, Mr. Maxson and Mr. Arnow.

Legislation Is Reviewed

Mr. Saunders stated that insurance interests were cared for better at the last session of the legislature than in 1935. He pointed out the occupational disease law, which was found to be impractical as soon as it became effective, was finally amended in a bill prepared by a joint committee representing labor, industry and underwriting. He called attention to the work of the special committee investigating automobile insurance, which held 10 hearings on the subject of compulsory coverage. He said that local agents played an important part in arousing opposition to the proposal and that the two bills offered by Senator Berg encountered such strong opposition that neither was finally put to vote.

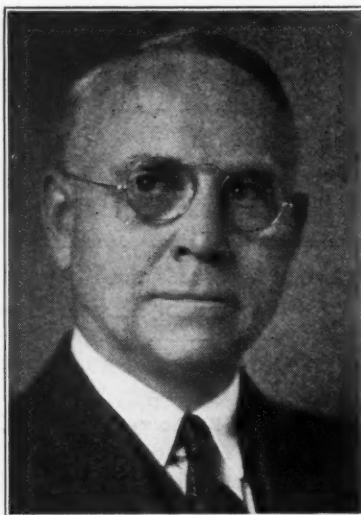
Other bills were offered, Mr. Saunders reported, on bonds, taxation and mortgages. Although effort was made to impose more taxes on insurance, the bills failed of passage. Altogether, more than 300 measures were presented which in some way affected the business.

Cooperation of Organizations

Mr. Saunders paid tribute to the various insurance organizations, which, he said, gave "perfect cooperation" in defeating harmful legislation. He also paid tribute to H. H. Wadsworth, president Insurance Federation of America, through whose efforts, he said, "we have added 5,924 associate members to our membership which gives us a more commanding position than ever before. We intend to spend this additional money received on publicity. We are very grateful to all those who worked so sincerely on behalf of our campaign."

State Comptroller Tremaine, who spoke at the federation's annual dinner,

Heads Federation



T. L. ROGERS

T. L. Rogers of Rogers & Ash, Little Falls, N. Y., was elected president of the Insurance Federation of New York at its annual meeting in Buffalo. Mr. Rogers is well known in insurance circles in that state, having served for two years as president New York State Association of Local Agents and also as secretary for two years.

said municipalities must again shoulder the burden of relief after the November election. Although mayors no doubt will complain, he said this action will rapidly correct a bad situation in the country.

Others on Program

R. F. Piper, chairman assembly finance committee, and O. R. Beckwith, general counsel Aetna Life, also spoke. Mr. Piper asked for better cooperation among insurance men regarding legislation that affects the business. Mr. Beckwith also urged insurance men to take a greater interest in the legislative situation.

The following served as committee chairmen: J. L. Tiernon, reception; E. E. Barlett, registration; C. B. Lascelles, hotels; C. M. Epes, golf; Edward C. Roth, invitations; W. H. McPherson, transportation; J. O. Olson, local, and C. H. Wilson, entertainment.

A golf tournament preceded the convention, with prizes being awarded to: Herman Bayern, New York City; John Rochester, Buffalo; E. D. Stevens, Buffalo; Paul Young, Albany; R. S. Choate, St. Louis, and H. L. Jamison, New York City.

Cuts Druggists Liability Rates

The New Amsterdam Casualty has made several revisions in its druggists liability rates for Pennsylvania, effective June 1. A reduction of 50 percent has been made on all employees while the store charge has been cut from \$15 to \$8.

Discounts for coverage on additional stores have also been reduced as follows: On two stores, old rate 10 percent discount, new rate 5 percent discount; three stores, old 15 percent, new 7½ percent; five or more, old 25 percent, new 12½ percent. The new rates provide for a \$5,000 limit and \$5,000 total aggregate liability. Higher limits may be granted on a percentage increase. The old rates provided \$5,000/\$15,000 limits.

U. S. Casualty Advances Owens

The United States Casualty has elected Walter D. Owens, vice-president, as vice-president and secretary, to succeed D. St. C. Moorhead, who resigned some weeks ago.

Illinois Brokers Lambast Retrospective Rating Plan

COMMITTEE MAKES REPORT

Contend It Would Lead to Self-Insurance, Is Too Complicated, Deprives Producer of Commission

Strong opposition to the retrospective rating plan for compensation was voiced in a report of the compensation committee of the Insurance Brokers Association of Illinois, a copy of which was sent to the National Association of Insurance Brokers, New York. A number of criticisms were directed against the plan.

The brokers feel that applying the commission percentage against only a portion of the normal premium is unfair; that it is too large a contribution to ask of the producer. The retrospective plan is held to be too complicated to be easily sold.

Another criticism is that it would lead to self-insurance.

Another point is that this plan does not adhere to the idea of insurance as spreading the loss of the few among the many, but "encourages the individual to withdraw his contributory support to the masses."

Object to Contribution

"We believe that there is a proper rate for every hazard," the report states.

"We would say that any company that wished to offer a maximum and minimum rate might do so, but we would certainly ask that they remove the element of contribution that the proposed plan exacts of the broker or producer. We are afraid that the public will come to the conclusion under the retrospective rating plan that it is another case of 'heads I win, tails, you lose.'"

"The tendency to over-reserve a loss is present and the public cannot challenge this practice but can only rely upon the good faith of the carrier to see that their treatment under the rating plan will be fair and equitable. There is too much room for difference of opinion and we are inclined to believe that this branch of our business will become too highly controversial, with the natural result that we will lose not only the compensation premium, but the rest of the business of our customers.

Fetish Is Unearthed

"The assured rarely questions the right of the producer to his full commission income. The introduction of this theory originates in the company bureaus which have made the subject of acquisition cost a fetish, and the constant hammering away on this one subject has become quite provocative to the producer and must be cleared up and settled once and for all, lest further disturbances disrupt the long past history of amicable relations between the companies and brokers or agents.

"There never has been any objection raised in Illinois to a proper rate to fit the hazard. We believe that the non-assessable feature of stock company insurance more than offsets the slight difference in premium cost, and the brokers have been willing in the past to meet this mutual competition based upon this argument.

"We cannot in Illinois subscribe to any scheme of insurance rating that will place the citizens or industries of our state at a disadvantage in their commercial competition with other states.

"It appears to us that the casualty bureau has gone to great lengths to set up their basic charges and loss and expense constants, a form of impost that has never been recognized elsewhere as a basis of income, unless you might refer to the operations of the public utilities. This branch of our nation's industry usually operates under an exclusive franchise, and the public does

Joe Futz Asks O. B. Hunt to End Branch Office Evil

EIGHTY-FOUR, PA., June 10.—Upon his departure for St. Paul to attend the annual meeting of the National Association of Insurance Commissioners, Owen B. Hunt, the insurance commissioner here in Pennsylvania, received a communication from Joe Futz, well known insurance agent of 84, requesting the Hon. Hunt to get the other insurance commissioners to eradicate the evil of company branch offices. These, avers Agent Futz, are sapping the life blood of the commissioned agent and if not stopped now will invade the small towns, even 84.

All "Comp" Carriers in Line; Auto Uniformity Now Sought

OKLAHOMA CITY, June 10.—The Oklahoma state fund has become a member of the Oklahoma Compensation Rating Bureau. This move places all carriers writing workmen's compensation insurance in Oklahoma on the bureau rolls and establishes a 100 percent uniform rate, classification standard and policy with all accompanying endorsements.

The state insurance board is now working to establish a similar uniformity among companies writing automobile liability and property damage. Experience has been asked for by the board, and is now being received. A new manual is expected to be made effective about Aug. 15, and a standard policy form is being worked out for submission to the board.

not have the benefit of competition in their purchase of gas, electric power, and infrequently in their telephone usage.

"The basic charges that the stock companies are now introducing to support certain minimum premiums are analogous to the public service companies' system of rate support when they advance the theory of 'ready to serve charge' and 'room charge,' 'outlet charge' and numerous other theoretical inventions to sustain excessive rates. We know of no group of business enterprises that enjoys a more unenviable, even bitter feeling of resentment in the public mind than the public service companies.

"If the insurance carriers wish to continue in the good favor of the public we would admonish them against resorting to loss constants, expense constants and other types of subterfuge in order to sustain excessive rates. Basic charges are difficult to explain in the event of audit controversy, and we think that the rating plan will engender a wholesale feeling of resentment and bring down charges of crookedness and unfair practice on the whole scheme of insurance."

F. P. Lavin is chairman of the Illinois brokers' compensation committee, and A. J. Gallagher of Chicago, chairman of the National brokers' association committee.

Special Section Covers H.&A. Conference Meet

A special section covering the annual meeting of the Health & Accident Underwriters Conference and the addresses given at that meeting, as reported by Frank A. Post, is included as a part of this issue, occupying Pages 25-32.

Meet on Casualty Topics

Organization, Company Men Discuss Current Problems in Pennsylvania Insurance Days Conference Held in Philadelphia

Casualty men appear to be interested in the problems of automobile public liability, comprehensive residence coverage and methods of increasing production by use of advertising and telephone, it was indicated by Pennsylvania agents in answering questionnaire sent out by the Pennsylvania Insurance Federation. It was along these lines that the program of the casualty conference was designed for the Pennsylvania Insurance Days held in Philadelphia.

W. A. Edgar, Philadelphia manager U. S. F. & G. and president Casualty Underwriters Association, Philadelphia, presided.

Bureau Man on Program

A. E. Spottke, manager automobile department, National Bureau of Casualty & Surety Underwriters, discussed general automobile experience from a public liability standpoint and problems confronting companies. He said the casualty business had grown from 54 companies with about \$27,000,000 premium income to 700 companies with \$1,000,000,000 volume, all in the 20th century. Auto public liability, starting from scratch, reached \$250,000,000 total.

The period of underwriting gains reached a peak in 1923-1925 with underwriting gain for all companies reporting for the New York casualty experience exhibit averaging about \$5,500,000 annually; then, abruptly in 1926, companies began to suffer underwriting loss in excess of \$1,000,000, rising to about \$15,500,000 in 1931. Rate increases cut this loss to \$2,500,000 in 1933 but since then there has been an increase, the 1935 loss being \$9,500,000.

Drain Cannot Go On

Continuous annual drain of this magnitude, he said, cannot go on indefinitely without serious damage to the automobile liability insurance structure.

Much of this experience he attributed to the comparative hazard of automobiles. Safe strong cars were built in the previous decade; now power and speed are prime considerations. Number of cars on the highway greatly increased in the last ten years, and many hard surface roads were built. Companies were fortunate, Mr. Spottke said, that they did not suffer more from these developments and growing public claim mindedness. He argued for better enforcement of traffic laws and education of individuals in safe driving methods.

How Agents Can Help

Agents can help cut the loss ratio by care and judgment in selection of risks, he said. From companies' standpoint, he said, number of accidents and severity of claims must be reduced, claim conditions must improve, or rate adjustments will have to be made, claim frequency is constantly rising. While the number of accidents decreased slightly last year, severity increased. Companies can improve underwriting results within certain limits by proper rate adjustments, so long as rates do not go beyond the "saturation point" beyond which sales resistance occurs.

Discusses Residence Form

F. W. Potter, instructor home office training school Aetna Casualty, discussed the combination residence policy. He said to sell it successful agents must have wide knowledge of insurance, particularly the fire supplemental contract and inland marine coverages. The combination residence policy is a "tailor-made" coverage, and good pre-approach work is vital. It is essential

to ascertain complete information prior to attempting the sale.

The clause relating to the water damage, explosion and repairs and replacements, he said, is little understood by the public. There is a big field for the coverage, he said, the surface scarcely having been scratched.

Insurance advertising is no substitute for selling, Clarence Palmer, advertising manager North America group, declared in his talk. Instead, its purpose is to make selling easier, create initial interest and desire and to pave the way for interviews. The successful agent ties up his selling effort with the company's national campaign. The agent must continually make people know that he is in the insurance business. One of the best forms of advertising for the agent is direct mail. He said an advertising budget is as indispensable a part of the agent's business overhead as office rent, and the publicity effort must be continuous.

Great Lakes Casualty Is Pushing All-Risk Liability

President Armstrong Crawford of the Great Lakes Casualty of Detroit and his associates are featuring all-risk and unusual forms of public liability, finding that there is a big field for cultivation in these lines. So far they have discovered that this offers greater profit than many others and at the same time gives an agent the opportunity to increase his premium volume.

The Great Lakes Casualty is contacting all agents by mail, using various publicity media to convey the message. Direct mail advertising is being employed. The Great Lakes Casualty hopes in this way to bring itself to the front as possessing facilities in an expert way to handle risks of this character. The Great Lakes Casualty people take the position that it is as important for them to draw up special forms to cover various liability hazards as it is for a fire company to have a special form for a risk that it covers. In other words, Great Lakes feels that a ready made garment will not fit all people. It is using the merchant tailor process. It is undertaking to underwrite the risk when the policy is issued instead of after the loss occurs. It is making a study of each risk to see whether it needs special treatment.

Smaller and heretofore unknown losses, the Great Lakes says, have put a new and serious slant on the liability policy. Therefore it is introducing new ideas in merchandising in the liability insurance field. It established some months ago a special risk public liability department to examine individually and underwrite public liability submission.

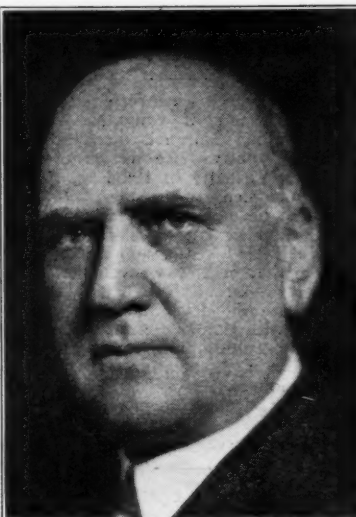
Virginia Auto Hearing Widened

RICHMOND, VA., June 10.—The state corporation has decided to broaden its hearings on proposed changes in automobile liability and property damage rates to include the entire rate structure of automobile coverage. The commission stated in reaching this decision that it would pay particular attention to rates affecting long haul truckmen and "public automobiles." The insurance carriers recently requested permission to make increases in rates, some of them as high as 28 percent. The hearing is scheduled to get under way tomorrow.

Casualty Notes

The Coastal Insurance Adjusters, Richmond, Va., has been incorporated with T. C. Picher of Norfolk as president. The Automobile Mutual of Providence, R. I., has entered Virginia with principal office at Richmond in charge of R. E. Cabell.

Minnesota Federation Has New Yorker as Speaker



JESSE S. PHILLIPS

Board Chairman J. S. Phillips of the Great American Indemnity and former New York insurance superintendent, was the guest speaker at the annual meeting of the Minnesota Insurance Federation at St. Paul, Tuesday. He was introduced by a fellow ex-commissioner, John A. Hartigan of St. Paul.

Palmer Approves Divided Bank Blanket Bond Cover

NEW YORK, June 10.—Full approval of the combination of three forms of bankers blanket bond and misplacement rider designed to replace the coverage granted previously under a single instrument having been given by Insurance Director Palmer of Illinois, a supply of the bonds together with rates prepared by the Towner Rating Bureau, has been furnished by the Surety Association of America to each member company.

The misplacement rider assumes liability for loss up to the amount of the bond, or less, as the assured may elect, some financial institutions not caring for such additional protection. Official sanction having been given to the individual forms replacing bankers blanket bond and granting the identical coverage and at the same rate, the association will now prepare basically similar bonds for savings banks, building and loan associations and general financial institutions.

DROP RESIDENCE POLICY

Some of the casualty companies which have been issuing combination residence policies including water damage, burglary, public liability, rental value, etc., have ordered their Illinois representatives to cease writing such business. They desire to be on the safe side should Insurance Director Palmer, who recently outlawed banker's blanket bonds, decide that other types of combination policies may not be written under the Illinois laws. Mr. Palmer's ruling was directed specifically against the banker's blanket bonds and most observers feel that the combination residence policies fall into a different category. However, the companies are playing safe.

H. E. Trevvett of the Commercial Travelers Mutual Accident thought that the Health & Accident Conference meeting started Tuesday. He arrived at the hotel Tuesday morning, registered at the National Accident & Health Association meeting and sat through the morning session before he discovered his mistake. He had to leave for Seattle Tuesday night and therefore missed the conference meeting entirely.

Name A. G. Meile of New Ulm Minnesota Federation Head

J. S. PHILLIPS GUEST SPEAKER

Cites Growing Tendency to Expand Functions of Government in Talk Before Meeting in St. Paul

NEW OFFICERS ELECTED

President—A. G. Meile, local agent, New Ulm.
Secretary—Clyde B. Helm, Minneapolis.

Vice-presidents—Hjalmar L. Hjermstad, president Citizens Fund Mutual Fire, Red Wing; O. W. Kolshorn, member legislative committee, State Association of Farmers Mutual Insurance Companies, Red Wing; Louis L. Law, state agent London Assurance, Minneapolis; P. F. Otis, Manley McLennan agency, Duluth; E. A. Roberts, vice-president and general counsel, Minnesota Mutual Life, St. Paul.

ST. PAUL, June 10.—Unusual interest was taken in the annual meeting of the Minnesota Insurance Federation due to the fact it was held here while so many insurance people were in the city for the meeting of the National Association of Insurance Commissioners.

George W. Wells was again placed at the head of the legislative committee, and R. B. Nienhauser, St. Paul, was made chairman of the finance committee. Alexander Campbell of Marsh & McLennan, Minneapolis, was made chairman of the board.

All insurance interests should continue to resist vigorously any encroachments on the institution by state or federal government, J. S. Phillips, chairman Great American Indemnity, declared in a rousing talk. Under present conditions, state insurance is a continuing threat. Last year and in 1936, he said, 54 proposals for state insurance were introduced in legislatures, but only four became laws.

So far as insurance is concerned, with few exceptions supervising officials always have adhered to a policy of sane regulatory measures. However, there has been a growing tendency in recent years to expand functions of government and exercise control over the individual and his property not contemplated by the nation's founders.

"Under the guise of supervision," he said, "both the state and federal governments have extended their powers of supervision over private enterprises in a manner amounting virtually to actual control without ownership. Such regulation imposes upon business undue and unnecessary restrictions, and if that policy is pursued, will not only hamper but virtually ruin legitimate business."

"In fact, it will be destructive of our American ideal of government and of the principles upon which it was founded."

Reports Are Submitted

O. D. Hauschild of Minneapolis, in his report, called attention to the fact that the federation was 22 years old. With its state-wide set up, he said, the organization has done much to stabilize insurance. Most of the agencies in the three large cities and nearly all the state companies he said contribute to its support.

He called attention to the present legislative situation and said it is necessary to have an organization to voice the position of insurance.

Clyde B. Helm, secretary of the federation, stated in his work he comes in contact with men in various walks of life. In recent weeks he has found most of them very much concerned over the rapid growth of destructive sentiment in the U. S. Congress and state legislatures. They see increasingly determined

(CONTINUED ON PAGE 40)

NEWS OF THE COMPANIES

May End Lloyds Insurance Co. Michigan Receivership

LANSING, MICH., June 10.—Early closing of the Michigan receivership for Lloyds Insurance Company (formerly Lloyds Casualty), is indicated with agreement by M. O. Loysen, attorney in the rehabilitation division of the New York department, to recommend to the New York receiver that certain Michigan claims, filed after the closing date for claims in New York, be accepted for consideration.

Mr. Loysen visited Lansing to confer with H. B. Corell, deputy commissioner, who is Michigan receiver, while L. B. Nelson, also of the New York department's rehabilitation division, was occupied in Detroit with affairs of the Reliance Corporation, a subsidiary of the Old Detroit Fidelity & Casualty, which became a part of Lloyds Insurance Co. a relatively short time before the latter's failure.

Michigan Interests Extensive

Because of the extensive interests of the company in Michigan, due to its absorption of the Detroit F. & C., a separate receivership was set up here. Not being an ancillary receivership, the Michigan court did not recognize the New York court's deadline on filing of claims, Feb. 16, 1934, but permitted acceptance of claims by the Michigan receiver until December, 1934. The New York receiver was disinclined to recognize a considerable volume of legitimate Michigan claims because of this discrepancy. It is hoped, however, that Mr. Loysen's investigation and recommendations will adjust the matter and expedite the termination of the Michigan receivership.

American Casualty's New Executive, Department Man

Harold G. Evans has resigned as chief of the division of companies of the Pennsylvania insurance department to become executive vice-president of the American Casualty of Reading, Pa. He joined the department in 1933 as an examiner, became chief auditor in 1934, acting chief of the division of companies on Jan. 1, 1935, and his appointment to that post was made permanent last December. Before becoming connected with the department, he was associated with the Travelers. He was a member of the committee on blanks of the National Association of Insurance Commissioners.

David R. Roche, formerly life insurance examiner, has been appointed to succeed Mr. Evans in the department.

Examination Report of New Century Casualty Given

The Illinois department has released an examination report of the New Century Casualty of Chicago as of Sept. 30, 1935, showing assets \$568,333, capital \$200,000 and net surplus \$57,203. It has a good cash position.

Albert Kahn is president and H. A. Salomon is secretary. It is licensed in the District of Columbia and 19 states. It is licensed in all states to write plate glass and is licensed for automobile in California, Illinois, Indiana, Pennsylvania, Ohio and West Virginia. It has retired pretty largely from the automobile field, but the officers state that plans are under consideration to enter it again in Ohio, West Virginia, Indiana and Illinois.

From Jan. 1 to Sept. 30, 1935, premiums earned were \$288,630, losses incurred \$158,940, expenses incurred \$120,719. Total income for the first nine months of 1935 was \$316,887 and total disbursements \$230,292.

Sometime ago the Illinois insurance department expressed objection to the system employed by a good many of the plate glass writing companies of making a deal with a glass company to make whatever replacements are called for during the year, the glass company to be compensated by a specified proportion of the premiums written. The report states that the New Century Casualty handles its replacements in Chicago and Philadelphia on this basis. The report questions this practice, stating that it is in the nature of reinsurance.

Payment to Oregon Claimants

SALEM, ORE., June 10.—About \$72,000 from the liquidation of the Union Automobile & Casualty of Los Angeles will be distributed among 70 claimants in Oregon within the next 30 days, Commissioner Earle announces.

Meat Dealers' Company

Assets of the Retail Meat Dealers Mutual Plate Glass of Chicago, as of Sept. 30, 1935, amounted to \$15,096 and surplus was \$13,347, a report of the Illinois department discloses. The officers serve without salary. It pays no commissions.

Total income in 1934 was \$31,331 and total disbursements \$6,951. Net premiums written were \$8,864 and net losses paid were \$2,469. The company was organized in 1934 and took over the assets of the Retail Meat Dealers Plate Glass Club.

Several H. & A. Conference members who are also active in the International Federation of Commercial Men's Insurance Organizations are planning to attend the annual meeting of that organization, which will be held in San Francisco, Aug. 24-25.

PERSONALS

A. W. Hoard, sub-manager of the Car & General of London, and Thomas Jenkins, manager of its Birmingham, Eng., branch office, who have been visiting United States Manager Arthur Waller in New York City for the past month, are sailing for home on the Aquitania June 11.

B. F. Meehan, 47, for the past two years in charge of liability underwriting in the Brooklyn office of the Hartford Accident, died of pneumonia. He entered the business 30 years ago with the Manufacturers Underwriting Agency, remaining for 19 years, and was then associated with Gaubert & Irwin for nine years.

J. R. McKay, San Francisco manager of the St. Paul Mercury Indemnity, is in the Hawaiian Islands on a business trip for his companies.

Lloyds Gets License Mandamus

OKLAHOMA CITY, June 10.—The district court here has issued a pre-emptory writ of mandamus, ordering Commissioner Read to issue license to Lloyds of America, San Antonio, Tex. The commissioner had declined to do so, claiming that the law did not contemplate admitting carriers of this type to Oklahoma. The case will probably be appealed.

Counties May Assume Liability

Governor Lehman of New York has approved the bill authorizing any county to assume liability for the torts of its officers and employees while engaged in performing their duty, so as to give a party recovering a judgment a legal claim.



GENERAL REINSURANCE CORPORATION

Casualty - Fidelity - Surety

90 JOHN STREET, NEW YORK ▼ 200 BUSH STREET, SAN FRANCISCO

OTHERS, TOO, ARE THINKING OF

VACATIONS

And you can perform a public service at this time of year by seeing that your prospects are prepared to satisfy the many and severe financial responsibility laws to which they will be

subject on their vacation trips. During this season they will be doubly interested in the multiple advantages which you can offer them in

American States New Standard COMPREHENSIVE POLICY

Combining

All Regular and Special Features
of the New Standard Policy

and

COMPREHENSIVE

Coverage, in all forms, with or without collision

American States' record for past, prompt, equitable claim adjustment and American States' vast, nation-wide adjustment organization, serving the United States and Canada 24 hours of the day, will sell the prospect; and their practice of friendly treatment will keep him sold for this vacation and those to come.

**One of Our Branch Managers
or Field Men Will Gladly Give
You Additional Details**

ONE OF AMERICA'S OUTSTANDING NON-CONFERENCE STOCK
COMPANIES WRITING AUTOMOBILE INSURANCE EXCLUSIVELY



AMERICAN STATES Insurance Company
HOME OFFICE American States Building INDIANAPOLIS

CASUALTY ASSOCIATION NEWS

Mountain States Body Hits Wyoming P. L. and P. D. Rate

DENVER, June 10.—Alleged extremely high rates on public liability and property damage in Wyoming were decried by the Mountain States Casualty & Surety Association at its meeting here, when rates were declared "beyond reason." This was the last regular meeting of the association until September.

Through the efforts of the association, Wyoming is getting a new form of certificate to be filed instead of a policy for commercial carriers. The move was discussed and lauded highly by a group which has been working for this provision for some time.

It was also announced during the meeting that the Colorado public utilities commission has revised its interpretation of the P. U. C. indorsement for motor truck carrier policies. The new interpretation excludes employers' liability which had been formerly interpreted to be covered by inference.

The new stand strikes out something

the agents did not have or want included.

New Hampshire Adjusters Meet

MANCHESTER, N. H., June 10.—The New Hampshire Casualty Adjusters Association held its monthly meeting here with 43 claim men present, who listened to talks by Commissioner John E. Sullivan on insurance matters and Motor Vehicle Commissioner John F. Griffin on safety campaigns. President Ethan Garfield, Travelers, was toastmaster.

Honor King at Indianapolis

INDIANAPOLIS, June 10.—Thomas W. King, newly appointed manager of the American Surety for Indiana, was given a surprise luncheon here by the Casualty & Surety Field Club. Duke Curry, president, announced that the special gathering was in Mr. King's honor and turned over to him the chair for the rest of the meeting.

John A. Dowd, chief of the Indianapolis district of the federal bureau of investigation of the U. S. Department

of Justice, told about the work of his department in checking crime that affects the casualty and bonding business. He described the advancement made in use of finger-printing for identifying criminals. The United States, in its department in Washington, has a finger-print file including 3,800,000 such records.

Boston Group in Outing

BOSTON, June 10.—The annual outing of the Association of Casualty Underwriters of Boston will be held at the Woodland Country Club, Auburndale, June 11. There will be a full day of sports with dinner and entertainment. The program is in charge of Rex Taylor, Employers Liability.

Reelect Seattle Officers

SEATTLE, June 10.—At the meeting of the Seattle Casualty Association officers were reelected, including G. F. Fitzgerald of Lamping & Co., president; Ralph Brown, Lumbermen's Mutual Casualty and American Motorists, vice-president, and E. A. Eastman, Travelers, secretary-treasurer.

Claim Men Hear Attorney

H. L. Oliver of Hull & Oliver, attorneys, addressed the San Antonio

Claim Men's Association on "Claims from the Claimant's Viewpoint." He said that a more liberal treatment of compensation claims would build good will which would reduce the cost to the companies through easier settlements.

Claim Association Outing

The annual outing of the New Jersey Claim Association, of which H. B. Kiefer of the Century Indemnity is president, will be held at the Mazda Brook Golf Club June 17. There will be the usual outdoor sports, and a buffet luncheon will be served all day. A number of prominent casualty officials have been invited to attend.

Ohio Association Party

The Ohio Association of Casualty & Surety Managers held its annual Walpurgis party Friday of last week at the Trees near Columbus. E. C. Essminger, Aetna Casualty, and C. W. McNeil, American Surety, were in charge of arrangements.

Casualty Meets Oct. 5-8

NEW YORK, June 10.—Decision has been reached to hold the annual joint meeting of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents Oct. 5-8 at White Sulphur Springs, W. Va.

Governor Lehman Approves New Dust Hazard Measures

NEW YORK, June 10.—Despite his statement that "there are certain provisions of this legislation that are not at all to my liking," Governor Lehman has approved the three dust hazard bills designed to eliminate silicosis and supersede the earlier measures, which were so drastic as to threaten the existence of industries in which dust was a hazard. One bill limits awards in dust cases to \$3,000 and requires installation of devices to eliminate harmful dusts. The second bill appropriates \$50,000 a year for five years from the state vocational rehabilitation funds to study dust disease prevention methods and the elimination of the dust hazard, also to spread information on prevention and protection. The third bill provides \$100,000 to enable the state industrial department to enforce the new prevention requirements.

Governor Lehman termed the provisions for protecting workers against silicosis and other dust diseases a very long step forward and one which outweighs any deficiencies in the legislation. To this memorandum the governor appended a letter from President George Meany of the State Federation of Labor favoring the three bills and stating that while the bills represent a fair compromise on financial and economic aspects of silicosis compensation, there is no compromise on the prevention side.

Chicago Adds Safety Cars

For the purpose of promoting public safety, five automobiles equipped with loud speakers have been placed in service by the police bureau of accident prevention in Chicago. The cars are each manned by two especially trained policemen and will tour the city, particularly in the vicinity of schools, preaching the "dos" and "don'ts" of safe driving and walking. Motorists and pedestrians committing minor infractions will be warned by the amplified voices.

Adjusting Office Has Plane

O. A. Sheffer of Sheffer-Cunningham, attorneys-adjusters of Wichita, has purchased a Porterfield airplane, so as to be able to give more prompt adjustment service. This allows the firm to cover almost any point in Kansas within two hours from Wichita. The plane is compact and weighs only 850 pounds. It has a cruising speed of 105 miles per hour.

If Rates Were Lower—

You could sell more automobile liability insurance.

Reduced accidents mean reduced rates.

Sponsor safety work in your community.

BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

Casualty Affiliate of The American Group

WORKMEN'S COMPENSATION

New O. D. Research Started

American Standards Association Has Committee to Discover Amounts of Dust That Are Harmful

Work for the prevention of silicosis and other occupational diseases has been advanced through the plans of a national committee of toxicologists, pathologists and industrial engineers working under the auspices of the American Standards Association.

This committee will set up limits beyond which the presence of certain dusts and gases in the air proves a menace to employees. Its findings will be used by the technical committees now preparing standards for removal of health hazards found in connection with industrial operations such as rock drilling, chromium plating, sand blasting.

The purpose of the committee will be to provide advice on allowable concentration limits of harmful gases, vapors, fumes, dusts, and mists from the point of occupational disease prevention to committees who are doing the actual work and to decide when absence of information makes research and investigation necessary and assist in the development of plans for carrying on such research.

Arrangements have been made for cooperation with the U. S. department of labor and it is believed that the completed standards will influence state industrial regulations.

This committee is headed by Dr. R. R. Sayers, senior surgeon of the U. S. Public Health Service. Insurance company representatives are: A. J. Lanza, assistant medical director Metropolitan Life; F. W. Sehl, chemical engineer Aetna Life; S. E. Whiting, assistant chief engineer Liberty Mutual.

Need for the development of standards exists, the committee believes, in order to protect employees from unhealthy working conditions, to protect industrial concerns from racketeering in liability cases, and to provide recommendations to serve as the basis of regulations promulgated by state governmental agencies, and rendered by insurance companies to their assured. The work of this advisory committee on toxic dusts and gases should make impossible a recurrence of the hysteria over occupational disease hazards that has attended certain industrial operations in the past.

WPA AIDS SILICOSIS STUDY

NEW YORK, June 10.—Fortified with a grant of \$91,944 from the Works Progress Administration, representatives of the New York Hospital, Department of Health, Cornell University Medical College and New York Tuberculosis & Health Association will shortly undertake a study of the silicosis hazard. It is planned to examine 3,000 workers employed in industries in which a dust disease hazard is known to exist.

Oklahoma Board Disavows Sponsoring Report on Fund

The Oklahoma insurance board voted to refuse to accept responsibility for an audit of the Oklahoma insurance fund ordered by the governor last February. The audit was made by an insurance specialist who had previously handled matters of this kind for the governor. The result was released and attested by Secretary Philpott of the board, who voted in opposition to Commissioner Read and Fire Marshal Theimer. Mr. Read contended that Chief Examiner Stark for the department should be permitted to study and if necessary criticize the audit. The ex-

act financial status of the fund has been a matter of conjecture for several months.

The report showed the fund had cash deposit \$384,407, accounts receivable \$80,337, FHA mortgage \$1,922, and minor assets making a total of \$471,518. Liabilities included guaranty deposits \$133,800, awards payable and reserve

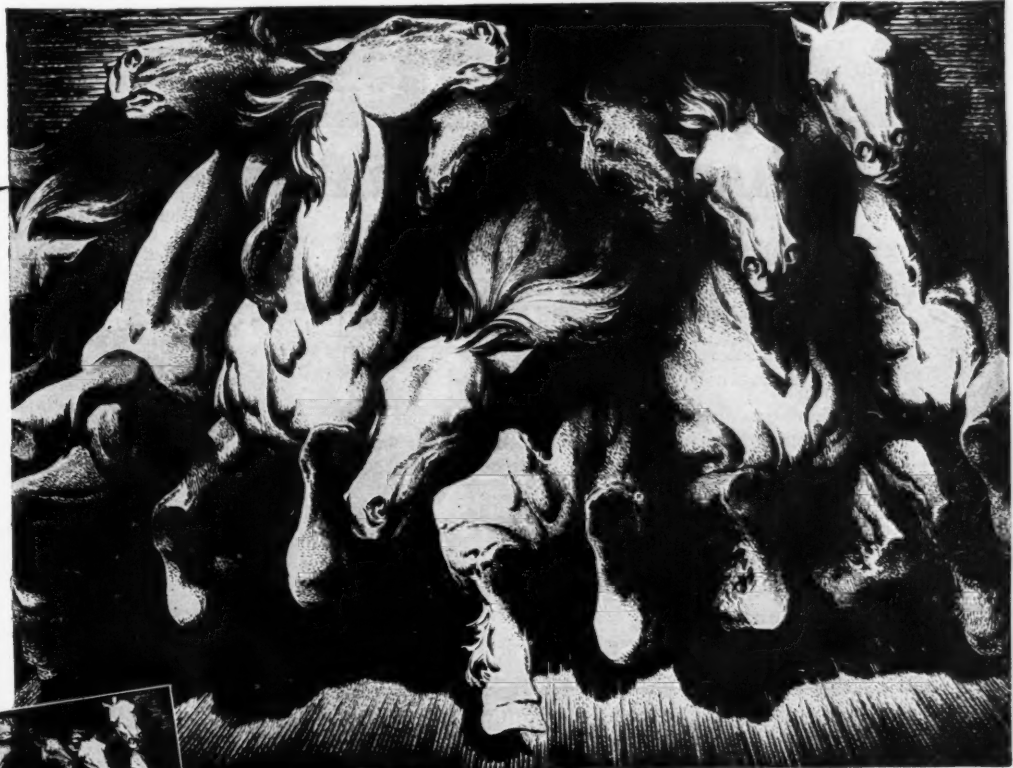
\$194,654, reserve for bad checks \$1,054, reserve for accounts payable \$1,806, catastrophe reserve \$108,644, and earned surplus \$31,558, a total of \$471,518.

Writ to Hold Up Silicosis Surcharge on Coast Refused

SAN FRANCISCO, June 10.—Refusal of the supreme court of California to grant the petition of the Emerson Mining Company, which applied for a writ of certiorari to halt application of

the revised rates to cover the silicosis hazard, automatically placed these new rates in effect June 1. Although the surcharges approved by Commissioner Carpenter are lower than those originally asked by the California Inspection Rating Bureau, they are drawn along the lines of the usual expense loading and as a result agents will continue to receive the usual commissions. The new rates apply to all new and renewal business from June 1.

Compensation carriers may write the line on the 61 industries involved in the silicosis surcharge only by attaching an



This is the complete full-page advertisement as it appeared in *Fortune*, *Time* and other magazines in May 1935



Maryland Advertisement Wins A Blue Ribbon in America's Major "Art-in-Advertising" Exhibit

ADVERTISING, well conceived and forcefully presented, is an irresistible power working for the insurance broker and agent. • The above drawing illustrates one of two Maryland advertisements selected from among 6,000 entries for display in the annual exhibition of the Art Directors' Club in New York. It received First Award for distinctive merit in black-and-white art work in class magazines. • Like the 75-million-horsepower steam pressure in American industrial boilers, which this illustration portrays, the Maryland advertising program exerts a compelling influence on prospects and policyholders which the alert agent can harness for long-term profits. • 10,000 agents find selling easier because of the Maryland's Blue Ribbon advertising in *Time*, *Fortune*, *Business Week*, *Nation's Business* and *Forbes Magazine*.

THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE • SILLIMAN EVANS, PRESIDENT



PUBLIC LIABILITY INSURANCE

for

FIRE WORKS DISPLAYS, CELEBRATIONS, ATHLETIC CONTESTS AND OTHER OUTDOOR EVENTS WHERE CROWDS OF PEOPLE MAY GATHER.

Protects promoters and property owners in case of injuries or death to spectators or the public.

There is a great need for this type of coverage during the summer months and it is to the broker's and agent's advantage to keep this class of insurance in mind.

For particulars address

A.F. SHAW & COMPANY, INC.

Insurance Exchange

WABash 1068

CHICAGO

"UTILITIES"

**AGENTS ALWAYS GET
A BIG SHARE OF THE
AUTOMOBILE and CASUALTY
BUSINESS IN THEIR
TERRITORIES**

**[Attractive rates backed by
a dependable organization]**

UTILITIES INSURANCE COMPANY

A STOCK HOME OFFICE COMPANY

BROADWAY AND LOCUST ST.

ST. LOUIS, MO.

*Direct contracts available for conservative
and successful agents in Illinois, Indiana,
Iowa, Missouri, Ohio, Nebraska, Colorado,
Oklahoma, and Tennessee.*

endorsement to this effect, which endorsement has been prepared and approved by the California commissioner.

To Hold Buyers Conference

NEW YORK, June 10.—The retrospective experience plan for rating workmen's compensation risks will be considered from the buyers' standpoint, at a meeting called by the Risk Research Institute, at the Hotel Astor, June 18. Sessions will be open to business men, insurance agents, brokers, members of the trade and the daily press. The desire is to secure a broad spread of views.

Drop Examination Requirement

OKLAHOMA CITY, June 10.—Physical examination of workmen before accepting employment will no longer be required by the state insurance fund, doing away with a rule that has been in force since the fund was created several years ago.

The commission does not deny the right of any employer to demand a physical examination, but if such is made the employer must stand the expense.

Create Compensation Supervisor

BOSTON, June 10.—The Massachusetts senate ordered to third reading a bill establishing in the department of industrial accidents the position of supervisor of workmen's compensation agents, whose duty it will be to take charge of all compensation payments, subject to the approval of the department. The position would be filled by a present employee of the department.

Rules as to Physicians

Industrial Commissioner Andrews of New York has issued several rules under the new compensation medical practices act of that state. Compensation policyholders may obtain a list of authorized physicians in the vicinity of their places of business by applying to the industrial commissioner, but insur-

ance companies may not furnish such a list.

A physician who acts as medical inspector or representative of an insurer or employer may not participate in the treatment of an injured employee, who is under the care of another physician.

An employer or insurer desiring a medical examination of an injured employee can arrange with the doctor in charge of the case for an appointment at a time and place reasonably convenient to the claimant.

A physician designated by an insurer or employer as a consultant may not subsequently participate in the medical or surgical care of the injured employee except with the written consent of the employee and his physician.

Take Action on Retrospective

The Casualty & Surety Underwriters Association of Kansas City passed a motion asking that the executive committee confer with Superintendent O'Malley of Missouri, recommending that if he is going to reject the retrospective rating plan for compensation, he hold an open hearing before doing so, allowing both sides to be heard. Mr. O'Malley has not indicated his stand.

Seek New Louisiana Act

NEW ORLEANS, June 10.—A revision of the workmen's compensation act will be sought by the Louisiana State Federation of Labor at the next legislature. A resolution passed at that organization's meeting provides that the act shall create a state commission to represent workmen in their claims. The purpose is to eliminate the necessity of poor workmen hiring attorneys in compensation cases.

Assets of New Iowa Concern

In reporting the organization of the Iowa Hardware Mutual Casualty of Mason City as a running mate to the Iowa Hardware Mutual, assets of the new company should have been recorded as being \$18,235 instead of \$8,235.

ACCIDENT AND HEALTH FIELD

Health Tests Are Proposed

Life Conservation Urged by Dr. Huebner at A. & H. Conference in Philadelphia

Use of accident and health group insurance as a means of circumventing the proposed new tax on corporation surpluses was advocated by J. F. Leibig, Continental Casualty, president Accident & Health Club of Philadelphia, at the opening session of the 1936 Pennsylvania Insurance Days sponsored by the Pennsylvania Insurance Federation. More than 500 attended the conference arranged by the club, Commissioner Hunt being chairman.

Dr. S. S. Huebner urged casualty companies to go in for life conservation as "the greatest insurance of all," in the form of frequent health examination of policyholders.

Mr. Leibig urged solicitation of "the little fellows," who have only themselves to rely upon and who should protect their only asset—their working time. While life insurance covers physical death, accident and health protects against economic death.

J. R. Duval, Philadelphia accident and health specialist, gave an inspirational address on accident and health insurance as a career.

Industrial accident and health insurance faces an unprecedented future, E. R. Deaver, president Progressive Life, Health & Accident told the industrial accident and health luncheon conference. He said the public is insurance minded.

J. E. Boris, Charter Mutual Benefit,

gave a picture of beneficial costs. At one time primarily handled by trade unions, fraternal and lodges, this business he said is today written mainly by industrial health and accident, limited life, and stock or mutual beneficial companies, most of them small and generally local in operation.

J. L. Cornog, president Philanthropic Mutual Life, presided.

Hold Meeting at Fort Dodge

The Alliance Life of Peoria and Mutual Casualty of Chicago held an all-day agency meeting at Fort Dodge, Ia. Robert Sine, Chicago, home office field supervisor, had charge. Those who took part in the program were Joseph Drahos, division agency manager; Matt Thompson, Fort Dodge, agency supervisor, and these general agents: Herbert Koehne, Fort Dodge; Carl Lewis, Marshalltown; C. J. Gilbert, Carroll, and Milton Dowden, Waterloo.

Robertson Leaves Postal Union

T. A. Robertson, well known Pacific Coast insurance executive, has resigned as vice-president and manager of the accident and health department of the Postal Union Life, Los Angeles, to become supervisor for California of the National Guaranty Life, with which he was associated for several years.

Pacific Mutual Has Record Month

The commercial accident department of the Pacific Mutual Life reports new premiums for May of \$57,283, the largest month's production in the company's history. The production in this department for the year shows an in-

crease of 21 percent over last year. In the railroad department, in which the company has a payroll premium deduction arrangement with over 45 railroads, the production for the year to date shows an increase of 35 percent over the same period last year.

McDonough to Home Office

J. C. McDonough, who has been manager of the Pittsburgh office of the Massachusetts Indemnity, has been called to the home office to assume important responsibilities in the agency department. He accompanied Roger Billings, president of the company, to Chicago last week for the meeting of the Health & Accident Underwriters Conference. He planned to spend a few days in Pittsburgh on the return trip, getting matters straightened around there, and will then go on to the home office to take up his new work.

Reliable L. & A. Texas Meeting

Twenty-six representatives of the Reliable Life & Accident in east Texas attended a business meeting at Marshall, Tex. Dr. C. L. Mattes of St. Louis, vice-president of the company, was the chief speaker.

S. W. Elder has been appointed district manager of the Mutual Benefit Health & Accident and United Benefit Life at Marquette, Mich.

Highway Tests at Centennials

The various highway safety tests of the Aetna Casualty are being demonstrated at the Texas centennial exposition in Dallas as a feature of the international crime prevention exposition under the direction of Warden Lawes of Sing Sing prison. The crime exposition is housed in a building of its own.

At the South Chicago centennial this week, the Aetna Casualty is represented with an exhibit in the same booth with the R. E. L. Brooks agency. The re-actometer and glare tests are on display.

Order **Argus Charts**. Casualty \$1, Fire \$1, both \$1.50. 420 E. 4th St., Cincinnati.

Had Big Week



E. C. STONE

E. C. Stone, United States general manager and attorney for the Employers Liability, was in charge last week in Swampscott, Mass., and Boston during the big celebration marking the 50th anniversary of his company's operations in the United States. After the festivities were over, Mr. Stone went to St. Paul for two days to fraternize with those attending the meeting of the National Association of Insurance Commissioners and then went to Chicago to attend the funeral of George F. Douaire, Chicago manager, who died while attending the Boston celebration.

Anniversary Fete of the Employers Liability Success

A round of festivities, including a formal and several informal dinners, participated in by home office officials from England and hundreds of representatives of the company from all over the United States, marked the observance of the 50th anniversary of the entrance into the United States of the Employers Liability, the American office of which is in Boston.

The formal dinner was held at the New Ocean House in Swampscott with some 500 present. United States General Manager and Attorney Edward C. Stone presided and the greetings of the London office were brought by Sir Courtauld Thomson, chairman of the

board, and Viscount Knollys, managing director. Among those at the dinner were Lady Knollys, Charles Francis Adams, former secretary of the navy, chairman of the executive committee; Commissioner Sullivan of New Hampshire, Commissioner Spencer of Maine, Deputy Commissioners Edmund S. Cogswell and Thomas O'Connell of Massachusetts, Miss Kate M. O'Leary, chief examiner of Massachusetts, and the first United States representative of the Employers, 88-year-old Frank Gair Macomber.

Enjoyed Day of Sports

Friday the visitors enjoyed a festive day of sports, at Swampscott, and along the North Shore with an informal dinner in the evening.

The United States branch force participated in the celebration by holding a party of the Owl Association at the Somerset Club with some 600 present. At this dinner Sir Courtauld announced that the directors had voted to award

over 1,000 employees of the United States branch a bonus of one week's salary.

To each employee who on June 4, 1936, the 50th anniversary of the United States branch, has been in the service of the corporation for five years or longer, will be given a bonus-check, the amount of which will be the equivalent of one week's salary, but in no case will the amount exceed \$100.

May Distribute \$50,000

It is estimated that between 1,200-1,500 will receive these bonus-checks, and that the amount so distributed will be approximately \$50,000.

A pleasing feature of the evening was the presentation to Mr. Stone of a photograph of Abraham Lincoln with a valuable autograph letter of Lincoln, signed also by Secretary of War Stanton.

Sir Courtauld also presented the Owl Association three old prints, dated 1826, depicting the owl.



automobile
boiler
burglary
credit
elevator
engine
liability
machinery
plate glass
compensation
accident
health—
insurance

LONDON

GUARANTEE & ACCIDENT Co. LTD.

U. S. BRANCH, 55 FIFTH AVENUE, NEW YORK, N. Y.

Favorable Record of the Suburban Auto Continues



EDWIN F. DEICKE

The Suburban Auto of Lombard, Ill., in the heart of the metropolitan Chicago area, continues to show a favorable underwriting experience according to President Edwin F. Deicke.

The Suburban has a ratio of nearly \$3 in assets for every \$1 of liability. It enjoys a reputation for sound and ethical conduct.

It specializes in automobile insurance, but also writes commercial plate glass. At present the company is operating only in Illinois, but expects to extend its operations to Indiana and Iowa in the near future.

The Suburban, now in its twelfth year, has shown a steady increase in

assets and premium income under the guidance of Mr. Deicke, its founder.

Death of George Douaire Removes One of Old Guard

Funeral services were held in Chicago Wednesday for George F. Douaire, veteran manager there of the Employers Liability, who died in Boston while participating in the celebration marking the 50th anniversary of his company in the United States. E. C. Stone, U. S. manager of the Employers Liability, went to the funeral from St. Paul after attending the first two days sessions of the meeting of the National Association of Insurance Commissioners.

Mr. Douaire had been in poor health for the last two or three years and had undergone several operations. However, he was feeling fit when he went to Boston. After attending a baseball game with a party at the anniversary celebration last Friday afternoon, he returned to his hotel and had a hemorrhage and collapsed while waiting for an elevator to take him to his room. He was removed to a hospital and died early Sunday morning. His son, George Douaire, Jr., who is an agent in the Chicago branch of the Employers Liability, was attending the function in Boston and he summoned his mother, who arrived Sunday morning after her husband's death.

Old Guard Casualty Man

Mr. Douaire was one of a small set of old guard casualty executives in Chicago, who have guided the business in that city and have been men of influence and force. Mr. Douaire's death followed just a few weeks that of George D. Webb, head of the Conkling, Price & Webb agency, who was one of the foremost members of the old guard. Others who are thought of in the same plane are J. E. Callender, manager of the Ocean Accident; George Tramel,

manager Aetna Casualty, and C. H. Eldredge, general agent U. S. Casualty.

Mr. Douaire was born in Chicago on the near north side and was 71 years of age. His early business experience was with John Griffiths & Sons Co., the firm of contractors, as secretary and financial man. About 1898 he went into the casualty business as a broker. He maintained an office with the Employers Liability when G. A. Gilbert was manager. In addition to the Griffiths business, he controlled a number of other large accounts. He was primarily a producer.

Became Joint Manager

When Mr. Gilbert died in 1920, R. A. McMullen was in line to be manager, but his health was poor and the Employers Liability induced Mr. Douaire to become joint manager. An arrangement was made whereby Mr. Douaire was permitted to retain his personal business. Mr. McMullen soon became incapacitated and on his death in 1925, Mr. Douaire was made sole manager.

Mr. Douaire was a man of even temperament. He had a profound knowledge of the business, but he was impatient of detail work. He was a man who inspired confidence and one whose word was always relied upon.

His relations with competitors was most cordial and he was accustomed to advise and consult frequently with other company men such as Mr. Callender and Mr. Tramel. He was regarded most affectionately by the Employers Liability executives and by the employees in Chicago.

Liability Cover in Lloyds Sought by Theater Group

BOSTON, June 10.—Arthur K. Howard, business manager Independent Exhibitors, Inc., of Boston, one of the 25 regional units of the Allied States Association of Motion Picture Exhibitors, which includes some 5,000 theaters throughout the United States east of the Rockies, is negotiating with Lloyds of London for a master personal liability insurance policy to protect the theaters in the association. When the plan is worked out for Independent Exhibitors, which represents five New England States and some 50 theaters, the other units will be invited to join. The blanket policy will be issued when a majority of the houses have accepted.

Liability rates for motion picture houses in American companies, says Mr. Howard, are so high that the majority of houses now are compelled to become self insurers. The Boston rate is 68 cents per seat, New York rate, 40 cents per seat, with rates in suburban districts averaging about 12 cents. Lloyds proposition is to take the business on a basis of 20 cents per 100 admissions which develops a much lower total premium, according to Mr. Howard. A limit of \$5,000-\$10,000 is proposed for the majority with a higher limit for some of the larger houses.

N. J. Company Forfeits Charter

NEWARK, June 10.—The charter of the Surety Company of America has been forfeited by reason of failure to procure authority to commence business within one year from date of filing certificate of incorporation, as prescribed by the statute.

Union Indemnity Hearing

A hearing was held Monday of this week before Judge Provosty in civil district court at New Orleans in connection with the protest of the attorney-general to the third provisional account of the receivers of the Union Indemnity. Eleven New Orleans attorneys were summoned as defense witnesses. The attorney-general bases his opposition mainly on the ground that the state, which was a creditor to the extent of \$393,000 was left off the account and also on the ground that the proposed fees for the receivers and attorneys are not justified.

Administrative Scope in the Security Acts

ST. PAUL, June 10.—Commissioner Yetka of Minnesota in his talk before the National Association of Insurance Commissioners on the administrative problems of social security legislation, explained in some detail the procedure to be followed in collecting taxes from employers. There are to be 12 regional offices. An administrative problem of great magnitude, he declared, is the manner of collecting and paying the taxes. He spoke specifically of the fund for old age benefits.

Unemployment Compensation

Entirely distinct come the problems of unemployment compensation. He explained the chief features. State laws differ as to rate of contribution. He said:

"The duty of collecting the contributions involves a vast amount of detail in connection with the preparation of various information blanks and return and report forms, as well as the promulgation of rules and regulations necessary for the information of both employers and employees. It involves, also, the mechanical problems of the collection of taxes from such a wide-spread source and the establishment of proper accounting records covering such payments and of the settlement of disputes regarding the basis of contribution payments.

"Most of the acts vest in the administrative body power similar to those possessed by the insurance commissioner of the various states for the examination of the books and records of employers and the securing of desired information.

Changes Will Probably Be Made

"Fortunately for the peace of mind of such authorities, benefits will not be payable in any state, except Wisconsin, until 1938. This will allow additional time to prepare the mechanism necessary to take care of the immense detail of this phase of their work."

Merger Is Progressing

ST. LOUIS, June 10.—The necessary number of shares have been deposited for carrying out the plan of making the American Credit Indemnity a subsidiary of the Commercial Credit. Over the past week end the number reached 40,761, while the goal set for June 15 was only 40,000 of the 50,000 shares of outstanding stock.

The American Credit Indemnity is to retain its identity as an individual company and its personnel will remain unchanged, principal offices continuing in St. Louis in the Chamber of Commerce building.

Commissioner Ham of Wyoming was in Denver last week conferring on rate matters and other business.

Get rid of your PET PEEVE.

If losing automobile business to your competitor because his company's rates are lower than yours is your Pet Peeve, here's your answer an attractive contract with a sound STOCK COMPANY WRITING AT NON-CONFERENCE RATES.

It will be to your advantage to write to

New Century Casualty Company
Insurance Exchange Bldg., Chicago, Illinois

Economical Rates
and
Modern Contracts
for
Casualty Cover-
ages

COMMERCIAL STANDARD
INSURANCE COMPANY
FORT WORTH, TEXAS

Palmer Is Slated for Presidency

(CONTINUED FROM PAGE 3)

mittee is making no recommendation. The decision of the executive committee to hold the winter meeting in Hot Springs, Ark., at the invitation of Commissioner Gentry of that state was a diplomatic move to quiet the group that is somewhat leagued against New York and some other eastern states on the ground that too much power is concentrated in that section. The so-called Sullivan coalition element is strong and is now quite well organized. Commissioner Smith of Utah does not affiliate with the group.

Commissioner Holmes of Utah, chairman committee on unauthorized insurance, presided over a meeting. Lamar Hill, chairman American Bar Association insurance section special committee on the subject, stated he and his associates, F. E. Spain, Birmingham, and O. R. Beckwith, Aetna Life, had worked with a commissioners' committee consisting of Blackall, Connecticut; Pink, New York, and Palmer, Illinois, and had drafted a model bill, with the hope that each commissioner would seek to have it passed in his state. If so, the commissioner could invoke the retaliatory statute against any other state's unauthorized companies that try to do business in his domain. A copy of this bill will be sent to all commissioners for study and the subject will come up at the December meeting.

Commissioners Outspoken

Commissioner Dawson, South Dakota, claimed that the officials could do a lot of house cleaning if they cared to. He urged cooperation with the secretary of state to prohibit the incorporation of these outfits, chiefly burial and mutual benefit assessment concerns. Gentry, Arkansas, took the position that the commissioners were powerless unless

they had additional legislation. Many states, he said, do not give the commissioners any authority over these outfits. Dawson, South Dakota, said he had been able to throw five concerns in his state in bankruptcy. He held state laws should control and no federal legislation should be invoked.

Bowen, Ohio, has run a number out of his state. A law was passed prohibiting an unauthorized company from using the radio, papers or magazines to advertise its wares.

Mr. Gentry said he could get no co-operation from Missouri on this subject. M. E. Bean's outfits in Minnesota, he said, are raiding the country. Mr. Bowen said 188 unauthorized assessment institutions from other states invaded Ohio. His office has instituted a department of investigation to run down fraudulent claims. In one county he said there are 640 individuals under suspicion.

R. M. Redmond, Chicago, president Illinois Brokers Association, urged a federal statute to prohibit the use of the mails to an outfit domiciled in a state without being licensed therein. Almost all the complaints on unauthorized insurance, he said, are due to life, accident and health operations.

The executive committee recommended a review of the standard health and accident provisions and group accident, health and life provisions, to see if any modifications are necessary.

Entertainment En Route

The delegation from the east was entertained at breakfast at Detroit by a local committee. The people were taken through the Ford plant and Greenfield village. Luncheon was served at the Detroit Athletic Club as the guests of D. F. Broderick of that city. At Chicago some of the local insurance men were hosts at informal gatherings. From there the delegation moved to Madison and were guests of the local committee at the Madison Club for breakfast. They were driven through

the campus of the University of Wisconsin and shown through the state house. They then motored to Wisconsin Dells and had luncheon at Devil's Lake. Commissioner Mortensen of Wisconsin was official host.

Owing to the attractive golf courses at the Twin Cities, that is the favorite pastime and a resourceful local committee arranges for the playing. There was a big dinner Tuesday night for all registrants given by the Minnesota Association of Insurance Agents, St. Paul Fire Insurance Exchange and Minneapolis Board of Fire Underwriters. Director Palmer of Illinois acted as master of ceremonies, the entertainment being professional.

After the meeting Tuesday the men were taken on a sight seeing trip ending at the Lafayette Club on Lake Minnetonka where Col. Joseph Button of Washington, D. C., head of the Stock Company Association, assembled the Pamunkey Indians for ceremonial.

Wednesday was set apart for free lance entertainment. Most went for the day to the White Bear Yacht Club for fishing, boating, golf and water sports. Thursday evening was set aside for dinner, dance and entertainment, it being the finale of the lavish display of local hospitality.

Commissioner Yetka of this state is physically handicapped due to his automobile accident but he is heroically on the job as the official host.

Executive Committee Acts

At a meeting of the executive committee Monday it was decided to hold an executive session at this meeting of the association on Friday.

The report of the committee on blanks containing suggested changes in the annual statement blanks for company statements as of Dec. 31, 1936, was approved.

The committee voted to recommend to the convention the appointment by the president of a special committee of three or five members to study the standard

fire insurance policy form heretofore approved by the association and to report its recommendations at the meeting in December.

The committee voted to recommend the appointment by the president of a special committee of three or five members to study the standard health and accident policy provisions heretofore approved by this association, and also to study the question of whether or not standard provisions should be approved by this association for group health and accident insurance policies and group life insurance policies.

Greetings Are Extended

The first business session was held Tuesday morning with W. A. Sullivan of Washington presiding and the loud speaker squeaking. Commissioner Yetka of Minnesota, the host commissioner, stated that until Saturday noon, he did not know whether he would attend the meeting because of serious aftermath of his automobile accident. He extended greetings on part of his department and the state in the absence of Governor Olson. He introduced Mayor Gehan of St. Paul who brought the city welcome.

Insurance Director Ernest Palmer of Illinois made the response. He referred to the fact that the first commissioners convention held in Minnesota was 59 years ago. Five annual meetings have been held in Minnesota. It has given five presidents of the commissioners association.

The roll call by Secretary Read of Oklahoma showed 38 states represented and four Canadian provinces.

President Sullivan presented a strong address, advocating a uniform insurance code, legislative appropriations for the commissioners body, the use of the convention machinery for examinations, denouncing stock manipulation, company exploitation and lauding the function of fraternal insurance.

H. D. McNairn, insurance superintendent of Ontario, spoke on "Uniformity in Canada."

At the afternoon session Tuesday

H. H. CLEAVELAND
Chairman of the Board

H. W. COZAD
President

R. D. COBURN
Executive Vice-President

J. E. ROLLINS
Vice-President

BITUMINOUS CASUALTY CORPORATION

"Since 1917 —Where Workmen's Compensation Insurance Is a Business—Not a Sideline."

FINANCIAL CONDITION AS OF CLOSE OF BUSINESS APRIL 30, 1936

ASSETS

Current Premiums in Course of Collection not over 90 days past due.....	15.5%	\$ 506,913.13
Cash in Banks.....	12.5	409,462.67
*United States Government Bonds.....	18.2	594,862.88
	46.2%	\$1,511,238.68
*Railroad Bonds	8.6	280,117.73
*Public Utility Bonds.....	15.3	499,646.90
*Industrial Bonds	9.2	298,561.44
Accrued Interest on Bonds.....	.5	17,429.09
**Railroad and Public Utility Preferred Stocks	4.6	148,944.50
**Railroad, Public Utility and Industrial Common Stocks	15.6	511,300.00
TOTAL	100.0%	\$3,267,238.34

LIABILITIES

Reserve for all Outstanding Losses.....	\$1,499,285.44
Advance Deposit Premiums guaranteeing payment of monthly and quarterly premiums in course of collection	575,217.26
Unearned Premium Reserve (Small policies written for annual premiums paid in advance)	206,988.89
Reserve for Taxes and Reinsurance.....	52,766.79
Reserve for Commissions and other Expenses.....	153,627.94
TOTAL LIABILITIES	\$2,487,886.32
Capital	\$250,000.00
Surplus	529,352.02
Surplus to Policyholders.....	779,352.02
TOTAL	\$3,267,238.34

1. *Bonds carried at amortized values. Market value of bonds at April 30, 1936, was \$28,417.40 MORE than Amortized Value shown above. If bonds were carried at Market Value in above statement, Total Assets would be \$3,295,655.74 and Surplus to Policyholders would be \$807,769.42.

2. **Stocks carried at market values.

3. We Own No Bonds in Default as to Principal or Interest.

IF YOU HAVE WORKMEN'S COMPENSATION AND PUBLIC LIABILITY INSURANCE TO PLACE, WRITE OUR NEAREST GENERAL AGENT OR BRANCH OFFICE

HOME OFFICE, SAFETY BUILDING, ROCK ISLAND, ILLINOIS

Chas. G. Baeder, 2034-A Insurance Exchange, Chicago, Ill.
V. C. McDonald, Heyburn Bldg., Louisville, Ky.
Wm. P. Rollins, 130 East Washington Bldg., Indianapolis, Ind.
J. L. Carson, Insurance Exchange, Des Moines, Iowa.

Crist & Company, 200 Elmhurst Bldg., Kansas City, Mo.
Walsh Insurance Agency, Webb Crawford Bldg., Birmingham, Ala.
Hicks Brady Company, Harry Nichol Bldg., Nashville, Tenn.
W. A. Schickedanz, 10 A W. Washington, Belleville, Illinois.

Commissioner Yetka of Minnesota, talking on social security, said the basis of such acts started with workmen's compensation. It was enlarged to provide for the blind, crippled, care of indigent children, etc. He does not believe the burden of social security insurance administration will fall on the commissioners. Some of the features are not involved in insurance problems. Other bureaus will handle the work. He suggested that one board should have supervision over all social security activities.

Commissioner Williams of Mississippi who was scheduled to speak on the same subject was thrown over until Thursday.

Indianapolis is seeking the 1937 annual convention with Commissioner McClain as the potent proponent. He is ably backed on the ground by President Edward B. Raub of the Indianapolis Life. Another contender is Puerto Rico through its delegate, Hector R. Ball, who is urging a boat trip with all hands aboard, a few days on the island for the meeting and sight seeing, and a sea voyage returning. Louisville put in a perfunctory bid but the Kentucky commissioner is not here nor any company official of the state, so it is not seriously considered.

There were special entertainment features for women. They were given a sight seeing trip Tuesday afternoon with tea at the Minikahda Club, Minneapolis and dinner later at the St. Paul Women's City Club. On Thursday morning the schedule called for breakfast at Lowell Inn, Stillwater on the Mississippi and then a visit to the home of Mrs. J. C. McKown, wife of the vice-president of the St. Paul Fire & Marine at Marine-on-the-St. Croix. Mrs. H. W. Ahlstrom, wife of the Minnesota Mutual Life vice-president, is chairman of the ladies committee.

Send 10 cents for Insurance Test Selling Plan. F. C. & S. Bulletins, 420 E. 4th St., Cincinnati.

STOP AT MADISON

MADISON, WIS., June 10.—Madison gave a royal welcome Sunday to insurance commissioners and their parties on a special train en route to St. Paul. The commissioners and other insurance officials were guests here of Commissioner Mortensen, and the Wisconsin companies.

Breakfast was served to 110 in the Madison club, and Mayor Law welcomed the visitors. Afterward the group toured the city, attended a reception by Governor La Follette at the capitol, and took a short inspection tour of the capitol. The guests were received in Mortensen's office and then were driven to Devil's Lake.

After dinner there attended by 160 the group was taken to Wisconsin Dells, took a Dells boat trip, then boarded the train to St. Paul. Wisconsin products were on the guests' menu—from cheese to cigars.

DETROIT RECEPTION

DETROIT, June 10.—When the cars bearing the delegates to the commissioners' convention in St. Paul reached Detroit shortly after seven Saturday morning, a reception committee consisting of Raymond Waldron, Detroit F. & M.; Ralph Wade, Michigan Mutual Liability; Commissioner Ketcham and George Carter, prominent local agent, escorted the visitors to the Detroit Athletic Club.

A reception line headed by President W. G. Curtis of the National Casualty and including 20 company executives together with Commissioner Ketcham; George Carter and John F. Cole, president Detroit Association of Insurance Agents, greeted them. Breakfast was served with the compliments of the

Affiliated Insurance Interests of Michigan.

After breakfast President Curtis extended a welcome to Detroit and Commissioner Ketcham welcomed them on behalf of the department. Motor cars were placed at their disposal throughout the day. D. F. Broderick, head of the Broderick agency, entertained them at luncheon at the University Club and groups visited the Ford Motor plant and Henry Ford's Greenfield Village in the afternoon, leaving the city at 4:30 for Chicago.

A. H. Vincent Transferred

Arthur H. Vincent of Conkling, Price & Webb, Chicago, who for four years has been manager of the Michigan avenue office in that city, has been transferred to the main office in the Insurance Exchange building. He is succeeded by Frank Walberg, who has been associated with Mr. Vincent for the past three years. Mr. Walberg is making plans to expand the Michigan avenue branch and it is likely additions to the staff will be made in the near future.

Wildcat Solicitors Arrested

LANSING, MICH., June 10.—The Michigan department has brought about the arrest of two representatives of the Fidelity Mutual Association and the Consolidated Insurance Underwriters of Minneapolis, carriers which are not approved even in their home state.

The men, taken into custody at Houghton Lake by state police, gave the names of M. R. Arnold and E. J. Kelley of Cleveland, although they admitted using the aliases of M. R. Stanley and Vincent Hollis.

They had been offering both health and accident and automobile "coverage," each policy carrying a \$49.50 premium for two years. They pleaded guilty to soliciting insurance without a license, were ordered to make restitution in all cases in which they had accepted deposits and were fined \$25 apiece and costs. They paid.

Says Price Will Decline

Prices of investment securities are bound to drop because of the "very high" levels at which they are currently selling, according to Hugh Knowlton, partner in Kuhn, Loeb & Co., who addressed a meeting of financial advertisers in New York City.

Bankers are not responsible for the high level at which securities are selling today, said Mr. Knowlton, pointing out that "the government itself, by the various ways in which it is contributing towards easy money, is one of the responsible factors, and when prices subsequently drop, as they are bound to do, and the politicians blame the bankers, as they always do, it will be well to remember this fact."

"If the security offered by an investment banker has an intrinsically sound investment quality and is priced in accordance with the prevailing level for securities of its type the investment banker has discharged his duty to the public," the speaker said. "It is no fault of the investment banker if, due to the fact that a bond was brought out at a time when bond prices generally were very high, as is the case at present, the market price at some time during the life of the security declines."

Veteran Broker Is Dead

F. W. Welchman, who is believed to have been the oldest active insurance broker in New York City, died at the Roosevelt hospital, age 87. He was active in the business until 10 days before his death and had been in insurance 66 years. He was an independent broker but did most of his business with the London.

PORTLAND, ORE., June 10.—John R. Fritsch will take charge of the Portland office of National Bureau of Casualty & Surety Underwriters, succeeding H. F. Curtis, resigned.

Reliability goes hand-in-hand with speed in the American Glass organization. Of course, you're always assured of speedy plate glass replacements here.

Speed alone, however, does not make for complete satisfaction. But combine it with the reliability and dependability which backs every American plate glass replacement job and it's a combination hard-to-beat.

It has made the American Glass the outstanding leader in the Chicago plate glass replacement field. You'll also like it!

RELIABILITY and SPEED



MOHAWK-1100

AMERICAN GLASS CO.
1030-42 N. BRANCH ST. CHICAGO.

High-Low Plan Is Favored by Hobbs

(CONTINUED FROM PAGE 35)

have aimed at the big risks and by so doing certain of them have been able to pay handsome dividends, even right through the depression. The stock carriers have gotten the bulk of the small risks and have taken constant and very heavy losses on the expense loading. They have also suffered in point of loss ratio.

The system of expense constants meets the situation only in part.

Acquisition cost is a substantial item of difference between stock and non-stock. Theoretically, a good part of the difficulty in competition could be met by the use of graded commissions. As a matter of fact, this pleases neither the mutuals nor the agents. The latter objected to the precedent in taking a cut in commissions on big business and claimed there should be a gradation in other expenses as well as in commissions.

Assured Shares Cost

The retrospective rating plan, as adopted, represents an attempt to meet all these difficulties.

The retrospective plan undertakes, through a retrospective accounting, to cause the insured to assume full responsibility for a definite portion of the cost of his risk. He pays the minimum, and as much more as the actual losses plus loss adjustment cost and taxes indicate, but not in excess of a certain amount.

Mr. Hobbs declared that there are other types of compensation covers which involve a similar principle. For instance, ex-medical policies, wherein the assured assumes the cost of the medical benefits; excess insurance wherein the assured carries all losses below a certain limit; deductible policies wherein a portion of each loss is borne by the assured. Mr. Hobbs said that the part borne by the assured ought not to be subject to acquisition or other expense loading, save as to services actually performed by the company.

Record of Actual Use

It is not contended by anyone that the plan is not balanced, that its introduction will shift a part of the loss cost burden to risks not subject to the plan. It has behind it a record of actual use in states not subject to rate regulation.

If the plan be regarded as one whereby the assured agrees to assume a definite share in the cost of carrying the risk, there is a situation comparable to that in one of the rating plans for carrying silicosis risks in New York, whereby the assured undertakes to pay for a proportion of the losses. He is not charged acquisition cost or expense loading on the portion carried by him. The same is true, and with equal justice, in connection with retrospective rating. There is no other gradation of expenses.

In referring to the system of assigning risks which are unable to get compensation coverage, Mr. Hobbs said that the problem of such risks is not large. In a fair number of cases the insured does not want coverage when he finds he has to pay for it.

Sees Conditions Improved

Improved compensation conditions are evinced by a more frequent occurrence of rate reductions and by the appearance of underwriting gains or reduced losses, according to Mr. Hobbs. He referred to the fact that the council, since the last report, has begun the administration of rates in South Carolina and Florida. Occupational disease legislation has been enacted in Illinois and Rhode Island. The council has revised its rating plan in connection with occupational disease in the light of available experience and has been seeking to modify the occupational disease schedule rating plan applicable to foundries. It is considering a further extension of the schedule rating plan to other classifications presenting a pneumoconiosis

hazard.

Statistics as to medical costs are now being collected for a period of six months beginning Jan. 1 of this year. The results will be available some time during the fall. Council members are returning about 90,000 reports monthly.

Period of Peace

In recent months there has been a period of peace, with an abatement of the strain on compensation carriers and generally harmonious relations with supervisory officials.

Preliminary figures on 1935 experience indicate that the greater part of the accumulated underwriting loss will be amortized so far as states excluding New York are concerned.

The main modification agreed upon in connection with the schedule rating plan for occupational disease is the elimination of the provisions for compulsory medical inspection. Although medical examination eliminates the unfit or the impaired, it creates a problem of what to do with those who are eliminated.

Mr. Hobbs submitted the result of test payroll audits in five states, Alabama, Kentucky, Louisiana, Missouri and Tennessee. The results are inconclusive. Major errors in classifications were found in about 5 percent of the risks inspected.

Insurance Days in Pennsylvania Held

(CONTINUED FROM PAGE 35)

the commissioner being elected by acclamation. Mr. Donaldson was the only other Pennsylvania commissioner to become a federation member.

Merle Thorpe, editor "Nation's Business," guest speaker, warned of the danger of government taking over insurance, the address being broadcast by Station WFIL. Mr. Thorpe urged a fight against government in business and Governor Fisher and Mr. Morris upheld his views. Mr. Fisher strongly urged upholding the constitution, and Mr. Morris said Mr. Thorpe's address "expressed the Jeffersonian Democracy in which I was brought up," and also the fundamentals of American life.

Deaver Stresses Opportunities

E. R. Deaver, president Progressive Life, Health & Accident, stated that although the public is today more insurance-minded than ever before, the outstanding hindrance to the average agent is failure to visualize the possibilities in the accident and health field. He said the experience gained during the depression should be used as a stepping stone for future success. Although sales and collections were more difficult the last few years, the average agent should be improved by the experience and his job in 1936 should be much easier.

The success of new agents, Mr. Deaver declared, is in their own hands and their success will be automatic provided they have the necessary courage, determination and work. One important factor which offers an advantage to new agents today is the elimination of the old time cut throat competition. Cooperation is now the keynote, he stated. Another important factor is the social security act which, he said, will serve to advertise the business as did the war risk insurance act of 1917.

Rates on Bank Robbery in Many States Are Reduced

(CONTINUED FROM PAGE 35)

This policy was authorized by the bureau a little over a year ago. It gives very broad coverage, including such contingencies as destruction, misplacement, etc., instead of the usual burglary and robbery coverage. It does not, however, cover money or any other property except securities. Apparently, experience has been favorable, with the result that the bureau has halved the experimental rates.

Palmer Enforces Another Provision of Illinois Law

(CONTINUED FROM PAGE 35)

insurance, bonds running to the United States government.

At the office of John S. Lord of Chicago, attorney-in-fact for London Lloyds, it was stated that Mr. Palmer had not addressed Lloyds in the matter. If the statutes should be construed to apply to Lloyds it would mean they could write no risk in an amount over \$25,000 because their Illinois deposit amounts to only \$250,000.

Second Restriction

This is the second important restriction in the casualty act, which Mr. Palmer is enforcing. The other prohibits the issuance by surety companies of bankers blanket bonds.

Mr. Palmer demands that the casualty-surety companies submit affidavits on whether any of the amounts included

in their annual statements in excess of that permitted by the Illinois statutes cover on Illinois risks. He asked that this affidavit be filed "at the earliest possible moment due to the imminence of the licensing period, July 1, next."

The section that is being enforced is section 8 of the casualty act of 1899 and section 8 of the fidelity and surety act of 1915. The act of 1899 reads:

"No casualty insurance corporation organized under the laws of these states or doing business in this state shall expose itself to any loss on any one accident to an amount exceeding 10 percent of its capital; provided that no such corporation issuing a policy of boiler insurance shall expose itself to any one loss under any accident thereunder to an amount exceeding 25 percent of its capital."

Section 8 of the 1915 act reads:

"No corporation engaged in a surety or casualty business in this state shall expose itself to loss on any one risk or hazard to an amount exceeding 10 percent of its paid up capital stock."

THE EXCESS INSURANCE COMPANY OF AMERICA

Reinsurance
Casualty and Surety
Excess Covers

Executive Offices:
10 CEDAR STREET
and 70 Pine Street
NEW YORK CITY, NEW YORK
Telephone Whitehall 4-0050

AMERICAN Re-Insurance Co.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1935

CAPITAL	\$1,000,000.00
Surplus	4,044,764.57
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	3,527,772.91
All Other Liabilities	1,407,181.92
TOTAL ASSETS	10,479,698.40

NOTE: Securities carried at \$690,943.75 in the above statement are deposited as required by law.

CASUALTY RE-INSURANCE

Thirty-Four Years—Through Thick and Thin

AMERICAN CASUALTY COMPANY
READING, PENNSYLVANIA

● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Incorporated 1902

Supporting the American Agency System ever since

Agency Work Needs Factual Knowledge

(CONTINUED FROM PAGE 26)

the importance of establishing certain facts on which to base a sound sales program.

He said that research seems to many people to be some involved, complicated and long-drawn-out process which leads to a theoretical conclusion that nobody can understand. "I prefer to think of research," he said, "in terms of fact-finding and obtaining answers to certain questions that managers of men can understand."

He referred at the outset to certain changes which the market for accident

and health insurance is undergoing, including the great increase in the percentage of people who live beyond their earning years, the increasing number of women in business, opening up tremendous new markets, and the fact that some life companies are now considering entering the accident and health field in their search for new markets and to offset the shrinkage in agents' income, due to the federal social security act and other forms of legislation.

On the first point he cited M. A. Linton, president Provident Mutual Life, as stating that in 1900 less than 3 percent of our population, about 3,000,000 people, were 65 years of age or older. In 1935, about 6 percent, or 7,500,000 people were aged 65 or over and in an-

other 35 years—1970—it is likely to be 15,000,000 or 10 percent of the population. These facts, he said, have a special significance for accident and health companies.

H. G. Weaver, director customer research staff General Motors Corporation, defined his work as finding out what people like and doing more of it; finding out what they don't like and doing less of it. He said its purpose is to build customer acceptance. There has always been talk about breaking down sales resistance. He advocated going at the problem from the opposite angle.

He declared that the buyer's mind is the raw material from which is produced the finished sale. In physical products the greatest advances that have been made in recent years have been through finding out more about the raw material. The big idea in building machines for any manufacturing process is to humor the temperament of the material. The same advance has not been made in dealing with the human raw material from which sales are made. It may be said that human nature is always the same, but human reactions differ under different circumstances and at different times. A sales idea may work beautifully for a time, but after while the customers seem to become immune. The purpose of customer research is to find out the reason for this change and the way to overcome it.

Contravening the general idea that anything in the way of negative suggestion is harmful, Mr. Weaver told of an experiment made in sending out a supplemental questionnaire to a selected group of people who had answered previous questionnaires. One group was urged to sign and return it, a business reply envelope being enclosed, while the letter to the others suggested merely that they might like to see the changes that had been made and that it was not necessary to fill in and return it. Only 21 out of 100 in the first group replied, as against 72 in the latter. He said also that tearing pages out of a booklet, with a crayon notation, "Thought this might interest you," gets more replies than sending the entire booklet.

He told of the tests made as to the attention value of various sizes and shapes of mailing pieces, conducted by dropping samples of the different kinds along a busy street and seeing how many people stop to pick up each kind.

sured; (2) substitute a less expensive or more suitable form.

Another group of lapses was due to dissatisfaction with the company or its acts. To impress the prospect and applicant the company can use: (1) Advertising of the company's record; (2) publicity concerning soundness and security; (3) a letter acknowledging receipt of the application at the home office; (4) a letter of welcome after issuance of the contract; (5) latest annual report to each new policyholder.

When the premium becomes delinquent the company can demonstrate that it is on the job in two ways: (1) It should make a frank inquiry as to the reason for lapse; (2) it should make an honest attempt to clear up any misunderstanding.

The agent's efforts to be popular with the policyholders are too often confined to the "courtship" period. He should be impressed with the fact that his responsibility to his client never ends.

The agency department at the home office can have a great influence on lapse rates in these ways: (1) Higher selection standards and elimination of unfit agents; (2) concentration on full time agents; (3) training agents for effective and permanent selling; (4) elimination of knocking and twisting; (5) a remuneration plan with extra rewards for high persistency; (6) publicity for conservation results in company house organ; (7) emphasis on building an account rather than getting signatures.

Suggested home office activities directed toward maintaining contact with the policyholder and keeping up his interest in the policy include acknowledgment of the application, a personalized letter to the new policyholder about two weeks before the second premium is due; enclosure of a "policyholder's magazine" with each premium notice; a letter to delinquents about a month after the expiration of the grace period, leaving half the sheet for the policyholder's reply and enclosing a business reply envelope. It has been found that this letter brings replies from about 10 percent of delinquents, with the eventual reinstatement of about 5 percent.

Family Economic Entity; Needs Disability Coverage

(CONTINUED FROM PAGE 29)

than the fatal ones, and the huge "time loss" occasioned by sickness of all kinds. He amplified on the specific services of accident and sickness insurance along three lines: (1) As a vital supplement to existing life insurance; (2) as a means of avoiding the lapsation of existing life insurance; (3) in helping to remove the curse of worry and fear attached to the heavy financial burden associated with the long and uncertain period of disability.

In that connection he pointed out the danger of breaking down personal responsibility and private initiative through a fallacious government policy. "I have always believed in some measure of social insurance for the hopeless and the hopelessly improvident," he said. "Yet the danger of going too far with this sort of thing in a democracy like ours must be apparent. Despite their advantages along certain lines, social insurance plans have an unfortunate tendency to weaken the personal responsibility attitude of individuals and to undermine the greatest asset of a nation—the private initiative of its citizens. It softens the individual family head and tends to cultivate a habit of expecting the world to owe one a living, instead of the individual owing the world a life. It is for that reason that I am a believer in private insurance paid for in full by the individual who is capable of the exercise of labor and thrift."

He also spoke of the results obtained in the life insurance field towards professionalizing the business by the adoption of the chartered life underwriter designation and urged that the idea might be applied to advantage in other forms of insurance as well as in life insurance.

By Preference

DEWITT OPERATED HOTELS
Genuinely Friendly

☐ In Cleveland **The HOLLENDEN**

☐ In Columbus **The NEIL HOUSE**

☐ In Dayton **The BILTMORE**

☐ In Akron **The MAYFLOWER**

☐ In Toledo **The NEW SECOR**

☐ In Savannah (Ga.) **The GEN'L OGLETHORPE**

☐ In Miami Beach **The FLEETWOOD**

DeWitt Operated Hotels
feature
Unusually Comfortable Rooms at Reasonable Rates, and the finest of Food and Beverages, Carefully Prepared and Served.

HOME OF RADIO STATION K-L-2

A Cozy Comfortable Homelike Room in

DENVER

You'll like the pleasant, genial hospitality that greets you. You'll like the sleep inspiring beds—the well furnished rooms and the fine food—but most of all you'll like the real economy of rates. Drive your car into the Shirley-Savoy Garage.

400 ROOMS FROM \$2.00

J. EDGAR SMITH Pres.
IKE WALTON Mng. Dir.
E.C. BENNETT Mgr.

SHIRLEY SAVOY hotel
BROADWAY AT 17th

Tremendous Losses Due to Lapsation

(CONTINUED FROM PAGE 31)

means that all companies have a mutual problem and that we can attack it on common ground. It also indicates that by far the greater part of our lapses are avoidable, because unquestionably the need is there. Our job is to make the need more permanently apparent."

After the applicant becomes a policyholder, the need idea can be kept alive a little longer by (1) personal delivery of the policy by the agent; (2) a review by the agent of the reasons for buying; (3) a home office letter stressing need; (4) evidence of claims paid in the territory; (5) a policyholder magazine citing need arguments; (6) stressing importance of annual premiums.

In case of dissatisfaction with the policy, listed as the second cause of lapses, these suggestions were offered: (1) Advertising around the "high points" of the contract; (2) a prospectus of policy provisions and terms; (3) thorough unbiased analysis of the policy by the agent; (4) recommendation by acquaintances with the same contract; (5) revision of contracts to clear up difficulties.

After issuance of the policy, explanation of it on delivery by the agent or explanation by premium notice enclosures are still available.

In the early stages of delinquency the agent still has two courses open: (1) Review the features of the policy with as-

Kentucky Agents Seek to Have Laws Reconstructed

(CONTINUED FROM PAGE 8)

the HOLC, FHA, Washington Service Bureau, and told his business methods.

The value of local board was discussed by M. W. Boedeker, vice-president Louisville Board. He said Kentucky has about the fewest local boards of any state in the union, while Florida and Louisiana are credited with having the most.

W. A. Reisert, Louisville, legislative chairman, discussed work done in the year. He said that until the scrambled Kentucky insurance laws are reconstituted it will be difficult to undertake needful legislation.

Banker on Finance Cover

At the Wednesday afternoon session R. H. Stout, president Morris Plan Bank, Louisville, spoke on "Insurance of Financed Automobiles," from the standpoint of the financing house, and David Zeiser, Great American field office, Louisville, from the standpoint of company and agent. Both pointed out co-operative possibilities in recapturing insurance on financed cars.

M. F. Hegler, Western Factory, Chicago, discussed services and mutual competition.

H. K. ("Smoky") Rogers, Chicago, fire prevention department Western Actuarial Bureau, spoke on the humane side of fire protection. Commissioner Talbot who for more than four years has headed the department but plans soon to retire, spoke chiefly on the new form of government in Kentucky and what it is planned to do in getting the state on a sound financial basis. He said he had run out 58 quack insurance companies.

"What is a Bona-fide Insurance Agent" was the topic of R. R. Williams, successful Louisville agent. He said the major interest must be insurance. The agent must be on his toes, represent only soundest companies, study and handle special lines, read reference and bulletin services and trade papers, operate under regular methods and live within his income.

Farm Insurance Topic

D. R. Peel, Benton, discussed "Farm Insurance" from the viewpoint of an agent who has specialized in this field.

William Quaid, vice-president Southern Fire, generalized, covering "cockeyed thinking," the social security act, preservation of what has already been created. He said a reduction of 10 percent in fire rates, if it had been made in 1919, would have bankrupted most fire companies.

W. L. Falk, New York, manager brokerage department Liverpool & London & Globe, discussed "Nonstock Competition," analyzing what nonstock and stock companies have to offer in protection and security; comparing coverage, rates, premiums, reserve and investments, quick assets and slow ones.

J. J. Hackworth, Shelbyville, spoke on multiple lines from the viewpoint of an agent in a small community. He has done a good job in increasing volume by handling various special lines. J. W. Bethel, Fireman's Fund special agent in Kentucky, spoke on sales of special lines from the company angle, but more especially sale of fire insurance.

He said nonstock interests had been especially active in going after schools, churches and municipal properties, these affording an entering wedge for community business.

G. DuR. Fairleigh was introduced by President Reed as the newly appointed managing editor of the "American Agency Bulletin" of New York, succeeding R. P. Cahill, resigned.

C. T. Hyre, Louisville, manager bond department Fidelity & Casualty, spoke on "Sales of Surety Bonds."

Carl L. Nordyke, Louisville manager emphasized the importance of intelligent

selling of casualty lines. He pointed to the necessity of knowledge of the lines and an analysis of needs of prospects. He told of an agent who was on the point of losing a compensation line to a non-agency mutual. This agent decided to go on the offensive. He undertook to impress the assured that he was in a better position to take the responsibility for his entire insurance needs. After an interview of several hours, the assured decided to put himself in this agent's hands completely and the agent obtained business, paying total annual premiums of about \$4,000, instead of losing the compensation business.

In selling public liability insurance, Mr. Nordyke warned against overlooking property damage coverage. Very often property damage liability exceeds personal injury liability.

Annual Parley of W. I. B. in East

(CONTINUED FROM PAGE 3)

a means of overcoming objections that were raised to certain features in the present contribution form, as well as to provide a means of meeting the competitive problems presented by the reporting form used by certain reciprocals.

He recalled that the directors recommended that 70 percent of the premiums for the supplemental contract be allocated to windstorm and hail and 30 percent to riot, civil commotion, explosion and the other features in the contract. Prior to adoption of the supplemental contract, the companies treated explosion, riot, aircraft and self-propelled vehicles as one type of coverage and it was so reported in the annual statement. The only coverage left under the supplemental contract is smoke damage which is a negligible feature and which has never been separately classified. Accordingly, there should be no objection to linking smoke damage with explosion, riot, etc.

The directors recommended, Mr. Clark reported, that the same commissions as are allowable under bureau rules on tornado business be made permissible on all coverages of the supplemental contract. This recommendation is substituted for a former one that the fire commissions be paid on all supplemental contract premiums except tornado, which premiums should take the tornado commission.

Mr. Clark submitted a proposed new rule on agency allowances, in the nature of clarification. The old rule reads: "No allowance to agents, relatives or employees shall be made for advertising, blotters, calendars, signs or office equipment or for any other purpose whatsoever except as herein permitted." Mr. Clark proposed this addition to the rule:

"It is the intent of this rule to prohibit any monetary allowance to agents other than the commission allowable under the rules governing compensation to agents. It shall not be considered a violation of this rule to furnish agents with signs or stationery, also blotters, calendars, or other articles advertising the member company, when these are used for general distribution to a member's agents."

Mr. Clark remarked that this is about the first meeting of the bureau in the last 25 years at which it has been possible to report that the companies are not involved in any joint litigation with any insurance department in the middle west over rates, taxes, etc. He recalled that the Missouri rate litigation which continued over a period of almost 15 years, with staggering expense, has, except as to the state court cases, been finally brought to a close.

"Costly as it was," he said, in referring to the Missouri litigation, "and aggravating as the litigation proved to be, the companies had no alternative other than to fight for principle and, in fact, for their very existence in the state."

He expressed the fear that with the abnormally low loss ratios in the past few years that the companies may again be embroiled in litigation in an effort

to "stem further attempts to depress rate levels which are already too low." Political agitators, he said, are always alert to take advantage of low loss ratio cycles and attempt to force rate reduction. The rates today are already too low, according to Mr. Clark. They are almost 24 percent below the 1930 level. He said it is significant that a representative from Missouri recently introduced a resolution in the house at Washington calling for a congressional investigation of insurance. "The stock fire insurance business," he said, "needs no probing by politicians or others—it is conducted in open-book fashion, it has been one of the great bulwarks of safety to the public during the long years of the depression, and continues today as one of the outstanding factors in the assistance it is rendering in leading the country out of the morass of economic uncertainty."

There was an attendance equal to that of former years, at the initial session of the annual meeting.

Dividends 104 Percent

SIoux CITY, IA., June 10.—With the payment of the fifth dividend, 10 percent, Receiver W. F. Grandy of the American Bonding & Casualty of Sioux City, has paid to claimants 104 percent of their claims. The extra 4 percent is to apply as interest. The latest dividend amounted to \$88,860.

The receiver is resisting a claim of the federal income tax department for about \$78,000 claimed as income on the earning of securities in the receiver's hands since the company went into receivership in 1921.

The attempt of stockholders to get a bit out of their investment has failed, as the interest on claims allowed by the court will absorb all the money the receiver can get. The largest claim paid since the failure of the company was \$100,000 to the federal government as a compromise of a claim for \$1,250,000 under a bond guaranteeing construction of several wooden vessels for war use. The war ended and construction was done in a manner not in accord with specifications. The evidence in this particular case disclosed considerable political intrigue. The receivership, now 15 years old, will have to be continued until the income tax suit is finally settled.

Lebby Makes Deal with Brown

SAN FRANCISCO, June 10.—W. E. Lebby, state manager Massachusetts Indemnity, has appointed Edward Brown & Sons, as northern California general agents. Felix Faber, city special agent for Brown, for the past two years is to be in charge of the company's activities for Brown.

New Columbus Truck Agency

COLUMBUS, O., June 10.—John H. Mahon, Inc., agency of Columbus has been incorporated to specialize in the writing of truck and bus insurance. John H. Mahon is president; T. J. Siebert, vice-president; Mrs. Shirley H. Williams, secretary, and Mrs. Madelon Mahon, treasurer. It will be located in the A. I. U. Citadel.

The Mahon agency is representing for truck insurance the Auto Mutual Indemnity of New York.

Fake Accident Probe Continued

The sum of \$50,000 has been appropriated by the New York City board of estimate to widen the scope of a probe into the fake accident racket by the office of District Attorney Dodge. Mr. Dodge, who appeared personally before the board, revealed that two members of his staff in the last several months have obtained 35 indictments, most of which resulted in convictions. He stated the bar association had promised the services of 15 lawyers in the investigation.

Mr. Dodge was backed in his plea by Charles E. Hughes, Jr., and former Justice C. J. Shearn, appearing on behalf of the bar association.

Name A. G. Meile of New Ulm Minnesota Federation Head

(CONTINUED FROM PAGE 37)

efforts to throttle business by means of restrictive laws, prohibitive taxation and competition from governmental units. He said that he has discovered in his rounds through the states that insurance people are alert to the necessity of using their efforts to get fair-minded and capable men elected to the legislature. The Minnesota Federation has a membership of 467. All its financial obligations have been met.

Several resolutions were adopted by the Minnesota Federation. One favors biennial appropriations by the legislature adequate for the efficient maintenance of the insurance department. This resolution refers to the fact that the department now receives only 5 percent of the premium taxes. Another resolution urges members to ascertain the views of candidates towards insurance and to support only friendly candidates. Another memorial opposes compulsory automobile liability insurance. Another praises Commissioner Yetka and his staff.

New Rules Governing Oil Writing on Coast Approved

(CONTINUED FROM PAGE 4)

established by the Interstate Insurance Service Office in conformity with the agreement entered into with this board and based on rates permitted by law. Such average rates shall be furnished by the Service Office to this board immediately after they are established and not released to any insurance company, association, agent, broker until received by this board. Such average rates shall not be published but shall be available for use by any member of this board upon presentation of an official letter.

Daily reports, endorsements, canceled policies, and other records for all policies covering oil (mineral) properties located in whole or in part in the above named territory shall be submitted to this board and the insurance covering properties located within the territory shall be subject to all the requirements of general rule 28.

No member of any of its representatives or employees in any capacity shall inform any company, not a member of this board, nor any of its representatives or employees, of any rates or formula for rates adopted by this board, nor shall any such information be given to any one not entitled thereto under the rules of this board."

New Agency in Tulsa

The agency of Ewing, Britton & Hood has been started in Tulsa with offices in Philtower building as successors to L. N. Ewing & Co.

Lee F. Britton is a son of F. L. Britton of Topeka, special agent Corroon & Reynolds. He has been with the Oklahoma Inspection Bureau since graduating from Armour Institute of Technology in 1925.

Noble Hood has been a broker in Tulsa for sometime.

Dillard Hall in Drive

J. Dillard Hall has been appointed chairman of the fire and casualty agents group to help raise \$50,000 to finance the Baltimore Safety Council and keep it in business so as to reduce the loss in Baltimore by accidents. Mr. Hall is assistant agency superintendent of the U. S. F. & G. Until recently he was in Chicago as co-manager and while there took an active part as a member of the Keep Chicago Safe Committee. He made a great record previously in Iowa in behalf of safety endeavor.

C. H. Barr, president Illinois National Casualty of Springfield, Ill., has returned from a month's trip to British Columbia where he had been hunting big game. He is a well known hunter and has bagged many large animals.

New State Agent



KYLE SIMPSON

Kyle Simpson, newly appointed Illinois state agent of Conkling, Price & Webb, Chicago, succeeding Ralph W. Miller, who retired, has been connected for two years with the inland marine department of the Phoenix Assurance group in Chicago. He started with the Travelers in 1920 as clerk in the engineering department of the Indianapolis branch. Then in 1923 he went with the Indiana branch of the National Bureau of Casualty & Surety Underwriters, two years later being appointed manager of the Iowa branch, covering Iowa and South Dakota.

He resigned in 1927 to become special agent of the London Guarantee in Indiana, helping to establish the branch office. In 1932 he was named Indiana branch manager. He was transferred to Chicago in 1934, becoming western department manager of the Phoenix Indemnity. In January, 1936, he opened an inland marine office in Chicago for the Phoenix of London group, operating it in conjunction with the Phoenix Indemnity and London Guarantee casualty department. Mr. Simpson's father, W. O., of Indianapolis, has been active in insurance work for 30 years. A brother, Raymond, is connected with the Travelers branch at South Bend, Ind.

Explain Long Haul Truck Setup of the Associated

ST. LOUIS, June 10.—The G-I Service Company, Insurance Exchange Building, has begun the writing of long haul trucking risks for the Associated Indemnity in the territory east of the Rockies.

G-I Service Company will do no direct writing, all of its business being placed through agents and brokers.

President C. W. Fellows of Associated Indemnity stated because of the hazardous nature of long haul trucking risks agents and brokers will appreciate the necessity for obtaining the services of a specially organized underwriting unit such as the G-I Service Company.

The G-I, of which C. C. Rosenbarger is general manager, is organized to furnish experienced truck engineering and underwriting facilities, including road checking, safety engineering and a co-operative educational arrangement that assures the interest of the truck line owners in the efforts to hold claims to a minimum. T. T. North Adjustment Company of Chicago will supervise the handling of claims. It has nation-wide facilities. Rosenbarger has a long experience in the truck insurance field. Arrangements have been made for adequate reinsurance facilities.

Associated Indemnity will issue policies for both standard and excess limits.

No policies or binders shall be issued in states east of the Rockies except by G-I, after receipt of particulars and acceptance of risks. Only G-I is authorized to issue policies or bind risks and they will collect all premiums. The agents and brokers will send their applications and remittances direct to G-I. All of Associated's writing of long distance risks will be through G-I.

Discuss Insurance Frauds at Columbus, O., Conference

The Ohio insurance racket was discussed at a conference in Columbus under direction of A. A. Benesch, state director of commerce. There were present A. J. Jaques, Prudential, Newark; Joseph O'Meara, Western & Southern, Cincinnati; John Mager, State Auto, Columbus; F. H. Bachman, National Bureau of Casualty & Surety Underwriters, New York; a committee from the Ohio State Bar Association, and a committee of the Ohio State Medical Association; Superintendent Bowen and A. A. Levin, special investigator.

It was announced the inquiry would be extended to other cities in northern Ohio, but the probe is being hampered by lack of funds. The legislature has been asked to provide \$40,000.

The investigation into frauds in Mahoning county, being conducted by Prosecuting Attorney Leighninger with aid of the division of insurance, already is bearing fruit. Of 43 persons indicted recently, 13 have either confessed or been found guilty. Three companies alone are said to have paid out nearly \$50,000 in false claims, the Hartford Accident having paid \$13,900, Aetna Casualty \$31,372 and Travelers \$3,500. A number of industrial life companies also have been defrauded, it is asserted.

LATE FIRE NEWS

F. R. Holt Dies in Los Angeles

F. R. Holt, former prominent Illinois field man, died in Los Angeles after a lengthy illness during which he suffered three strokes. He was 67 years of age. He started as an office boy in the western department of the old Phoenix of Brooklyn. He went into the Nebraska field for that company in 1901, served in the Illinois field from 1903-10. Then he went with the American Central in Illinois and subsequently with North British & Mercantile. He was at one time president of the old Illinois State Board.

Interests Are Consolidated

Albert H. Grupe, manager of the Jones & Whitlock office in Chicago for some time, has combined his personal business with the office. The Chicago office is separately incorporated from Jones & Whitlock's main office in New York, and is known as Jones & Whitlock of Illinois. Mr. Grupe is vice-president and C. A. Siebold, president of the New York head office, is also head of the Illinois corporation. C. T. Bouterse is assistant manager at Chicago. Mr. Grupe's personal business consists very largely of Lloyds contracts. For many years he has concentrated in that field, having direct contracts for many coverages with London Lloyds. Jones & Whitlock of Illinois moved this week into larger quarters in A-1206-8 Insurance Exchange. The Chicago office under Mr. Grupe's direction has grown steadily in volume of production and has become one of the most important offices in Chicago in the lines of Lloyds' contracts and inland marine lines, in which it specializes. It deals only with brokers and does no direct business. Mr. Grupe has operated prominently in Chicago for about 30 years. Mr. Bouterse has been in insurance work in Chicago for 17 years, being connected with the Conti-

mental Casualty's home office for nine years in the agency department and as assistant manager of the burglary department. He brokered for six years and also was connected with R. N. Crawford & Co. for a year in the liability and Lloyds departments.

Chandler Named Engineer

Howard Chandler, an employee of the Chicago Board for about eight years and an expert in forms, has been appointed by Starkweather & Shepley of that city as engineer and producer, effective June 15. His duties will include rating and special agency work.

Worley on the Queen Mary

Sir Arthur Worley, managing director of the North British & Mercantile, arrived on the Queen Mary and was met in New York by the manager, H. S. Milligan, who came over from London last week to visit the company's Canadian branch.

Corroon & Reynolds Men Home

E. S. Inglis, vice-president of the Corroon & Reynolds companies, is home from a visit to the west coast, as is Secretary R. R. Wilde from a trip through the central west.

National Board Figures

There were 196 companies in the National Board last year. Their net premiums written were \$381,686,210, net premiums earned \$380,547,373, unearned premiums \$421,564,268, net losses paid \$137,049,393, net losses incurred \$135,004,936, net expenses paid \$187,411,434, net expenses incurred \$189,485,454, taxes paid \$19,123,286.

Audit Bureau Heads Meet

The annual conference of audit bureau managers in the middle western states is being held at Lake Wawasee, Ind., Monday and Tuesday of next week. On the next day members of the Illinois Fire Underwriters Association arrive at the same place for their annual meeting.

Heath Chicago Board Member

Marion C. Heath, Chicago, has been elected class 1 member of the Chicago Board. The designating company is the Fulton Fire. He also represents the Franklin National and Union Marine & General. For casualty business he has the National Casualty. The agency will represent additional companies, which will be announced soon. Mr. Heath started in insurance work about eight years ago, getting his early training as field assistant for the Travelers, operating out of Omaha. After two years he became a branch office agent and later opened his own general agency in that city. He went to Chicago in September, 1934, and operated as a general broker. The firm has offices in 735, 166 West Jackson boulevard, the telephone number being Wabash 8659. Mr. Heath has appointed H. W. Mueller fire underwriter and H. M. Knudson special agent. Mr. Mueller had three years' experience with the Chicago Board, several years in underwriting, connected with Moore, Case, Lyman & Hubbard, and then for several years was with Keller, Anderson and later Charles A. Anderson & Co., in charge of the fire department, servicing special lines and in engineering. He has been a broker for the last year. Mr. Knudson has had 21 years' experience, starting as office boy for Fred J. Sauter in Chicago, and later connected with a number of offices in the Insurance Exchange. For nine years he was in charge of Krenn & Dato's insurance department, and for three years has been a broker.

C. J. Heald, local agent at Sheboygan, Wis., has been elected president of the junior association of commerce there.

About 35 men in the western department of the National of Hartford had their annual golf outing at Bonnie Brook Golf Club near Waukegan, Ill.

Conklin Is New President of the Eureka-Security

NEW YORK, June 10.—Charles S. Conklin, United States manager of the Pearl, has now been elected president of the Eureka-Security of Cincinnati as well, in succession to the late J. F. Guinness. The entire capital of the Eureka-Security is owned by the Pearl and held at its London headquarters. Mr. Conklin was appointed chief United States officer of the Pearl in 1934.

Tennessee Parley June 24

NASHVILLE, June 10.—The joint meeting of the executive committees of the Tennessee Association of Insurance Agents and Tennessee Fire Underwriters Association that was originally call for today by H. H. Corson, head of the agents group, has been postponed until June 24. The sessions, including a luncheon, will be at the Noel hotel.

R. W. Ring Taken by Death

R. W. Ring, assistant local secretary in New York for the London & Lancashire, died after a brief illness at the age of 49. He had been in the business in New York for 30 years, the last 20 with the London & Lancashire.

Illinois Field Club Meet

J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins," published by THE NATIONAL UNDERWRITER, gave a talk in fire sidelines at the summer outing meeting in St. Charles of the Illinois Field Club, the Western Insurance Bureau organization. R. V. Haser, Ohio Farmers, was in charge as president. C. P. Hall, Standard of Trenton, was admitted to membership. Discussion centered about the new agents licensing law, school board business, fire prevention activities. The annual meeting is in the fall.

J. A. Violich Advanced

John A. Violich has been appointed superintendent of the San Francisco metropolitan bonding department of the Hartford Accident.

Mr. Violich has been with the Hartford since 1925 where, after graduating from the University of California with an A.B. degree, he began his surety career under James W. Moyles. In January, 1931, he was transferred to the Hartford's Los Angeles office where his duties involved the underwriting and production of fidelity and surety business.

Yellow Cab Mutual Report

Total assets of the Yellow Cab Mutual of Chicago as of Dec. 31, 1935, amounted to \$176,409 and net surplus was \$12,948, according to an examination report just released by the Illinois department. In order to show a surplus at the end of the year, the report stated the Yellow Cab Mutual had to levy a special assessment of \$25,311. The surplus was only \$248 above statutory requirements. Regular premium collections for 1935 were insufficient but officers state the rate charged on taxicab policies will be increased this year. The Yellow Cab Mutual was started in 1928 mainly to write auto liability on taxicabs. The premium that has been charged is \$10 a month for each vehicle insured. Starting in January of this year, the contracts were changed so that they are written for one month and are automatically renewed by the payment of the monthly premium. In 1936, the Yellow Cab states it will charge \$18 per month for vehicles.

Premiums earned in 1935 amounted to \$415,090, losses incurred \$333,635, expenses incurred \$89,058.

Total income was \$420,327 and total disbursements \$384,257.

A. T. Churek, local agent of McKinney, Tex., has been awarded a long service fob by the Fidelity-Phenix for 25 years continuous representation.



Organized 1875

ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET
NEW YORK

United States Branch

Statement January 22, 1936

ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	1,037,080.82
	<u>\$3,065,940.30</u>

All Securities taken at Market Value January 22, 1936.

LIABILITIES

Voluntary Contingency Reserve	\$ 565,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	<u>1,650,000.00</u>
Surplus to Policy Holders	<u>2,500,000.00</u>
	<u>\$3,065,940.30</u>

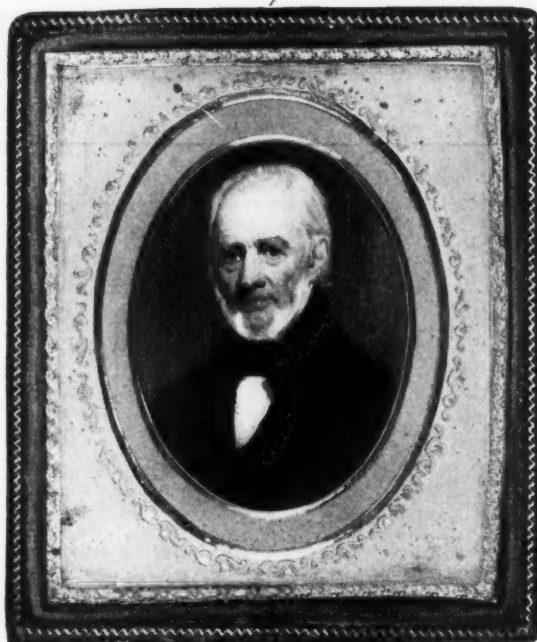
NEAL BASSETT

United States Manager

111 JOHN STREET, NEW YORK



Thomas K. Brace
1st President



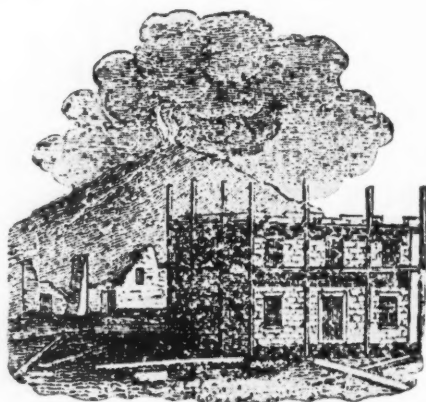
Aetna Insurance Co.
1819-1857

This Month We Start Our 118th Year

THE 117th anniversary of the organization of the Aetna Insurance Company occurs on June 15th. On that day in the year 1819 Thomas K. Brace was elected president at the first meeting of the board of directors who in turn had just been chosen at the first meeting of the 87 original stockholders.

An underwriting office was also opened in Hartford on June 15, 1819 in the law office of Isaac Perkins, the company's newly elected secretary, in Morgan's Exchange Coffee House where the organization meetings were held.

President Brace, a graduate of Yale College and the proprietor of a successful shipping business, was hardly overpaid at the start for his salary which did not begin until 1821 was fixed at \$100 a year. Mr. Brace remained at the head of the company with one brief intermission until 1857. The company prospered under his wise administration and then as now enjoyed the complete confidence of the insuring public.



{ Make it a Rule to Think First of
"THE AETNA" }

ÆTNA INSURANCE CO.
— Founded 1819 —
HARTFORD - CONNECTICUT